

Budget austerity and democracy

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A *Washington Post*/ABC News poll released Wednesday documents the vast gulf between the sentiments of the great majority of working people in the United States and the policies of the financial aristocracy who control the Democratic and Republican parties. (See “As Obama reassures financial markets, public opposition grows to budget cuts”).

The poll found huge majorities opposing any cuts in Medicare (78 percent) and Medicaid (69 percent) and supporting increased taxation on the wealthy (72 percent). Meanwhile, in elite circles, such policies are completely ruled out. There is not a single major political figure in either of the two parties controlled by big business who advocates the views held by better than two-thirds of the American people.

This divergence is all the more remarkable given that there is zero support in the corporate-controlled mass media for such flat-out opposition to the budget cuts. The parameters of the official debate are set by President Obama, ostensibly representing the “left,” who proposed \$2 trillion in social spending cuts last week, and Republican Congressman Paul Ryan on the right, whose budget plan called for \$6.2 trillion in cuts, including the dismantling of Medicare and Medicaid. The “center” is supposedly represented by the bipartisan Simpson-Bowles commission appointed by Obama, which proposed \$4 trillion in cuts.

The views voiced by the huge majority of those interviewed in the *Washington Post*/ABC News poll make clear the deep class differences which even the most strenuous media manipulation cannot cover up. American working people understand that without Medicare and Medicaid the elderly and the poor will be thrown on their own resources when it comes to health care. The result will be widespread illness and premature deaths on a colossal scale.

Moreover, working people instinctively reject the claims that “there is no money” to sustain the provision

of health care, Social Security, education and other vital public services. They see the evidence of the vast wealth accumulated by the American financial aristocracy, as well as the trillions made available from the federal treasury for the Wall Street bailout when it was a matter of the health of the banks and hedge funds, not the health of human beings.

Hence the support for tax increases on the wealthy across all political affiliations: 91 percent of self-identified Democrats, 68 percent of independents, even 54 percent of Republicans. The only social demographic that did not support an increase in taxes on those making \$250,000 a year or more was that high-income bracket itself.

The official budget debate amounts to a conspiracy against the American people. The Democrats and Republicans, abetted by the major media outlets, depict major spending cuts as inevitable, and portray opposition to the gutting of vital social programs—local, state and federal—as an irrational longing for the impossible. As right-wing pundit George Will pontificated, defending the Ryan plan to abolish Medicare, “Medicare is threatened, not by Mr. Ryan, but by Mr. Arithmetic.”

It would be more correct to say, “Medicare is threatened by Mr. Wall Street.” Ryan, like Obama, is a political shill for the most powerful corporate and financial interests, who are demanding the destruction of federal social spending to place the burden of the 2008 Wall Street crash and the ensuing economic slump on the backs of the working class.

After running in 2008 as the supposed candidate of “hope” and “change,” Obama continued the bailout of the banks begun by Bush. Untold trillions of dollars were made available to the financial system, and Obama then launched a health care “reform” program that directly undermined Medicare, cutting \$500 billion in projected spending for the medical needs of senior

citizens.

When the Republicans attacked the Democrats during last year's election campaign for cutting Medicare, the Democrats had no answer to the charge, because it was true. The result was a large swing among elderly voters towards the Republican Party. This, combined with the collapse of the Democratic Party vote among young people and minority workers, allowed the Republicans to take control of the House of Representatives.

Having gained office in many cases by posturing as defenders of Medicare, the House Republicans have now rallied around the bill offered by Ryan that abolishes the program entirely. Obama has countered the proposed privatization and effective abolition of Medicare by proposing an additional \$1 trillion in cuts in the program. That is the "choice" now offered the American people by the two-party system.

Concerned over the rising opposition from the masses, Wall Street is demanding that the cuts go forward regardless of popular sentiment. That was the substance of the warning issued this week by the bond-rating firm Standard & Poor's, which declared that unless there was a bipartisan agreement on massive spending cuts in place before the 2012 election, it might downgrade the value of US government bonds for the first time in history.

Wall Street is demanding that the Democrats and Republicans in Washington follow the example of Greece, Ireland and Portugal, enacting savage austerity measures over the opposition of the population. To ensure that the American people have no say whatsoever, the financial interests want deficit reduction as an accomplished fact before the 2012 campaigns begin.

The result of this process of continual betrayal of the interests of the working people is the discrediting of the entire two-party system. The *Post/ABC* poll found 58 percent disapproval of how Obama has handled the federal budget and 64 percent disapproval of the performance of the congressional Republicans. Obama's overall approval rating is at 41 percent in the Gallup poll, the lowest of his presidency, while the overall approval of the Republicans barely tops 30 percent.

It is a remarkable fact that only one political party in the United States advocates the position of "no cuts"—the position taken by the vast majority of the

population. That organization is the Socialist Equality Party. The SEP, at its regional conferences this month and every day on the *World Socialist Web Site*, has called on working people to reject the entire framework of the official budget debate.

We say that the resources needed to provide good-paying jobs, education, health care and retirement security exist in abundance, but they have been monopolized by a tiny layer of wealthy parasites at the top of American society.

Working people should reject the cuts and fight every attempt by the financial aristocracy to make them pay for the crisis of the profit system. The struggles of workers, however, will come into direct conflict with the corporate and financial aristocracy, which is determined to impose these cuts regardless of popular sentiment. This means that the interests of workers can be advanced only through the fight against this ruling class and the economic system it defends, capitalism. It requires the socialist reorganization of economic life to serve human needs and not private profit. To spearhead the fight for socialism, we urge all our readers to join and build the Socialist Equality Party.

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