

Democrats conceal post-election austerity plans

Patrick Martin
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While the Obama reelection campaign claims to support higher taxes on the wealthy and oppose cuts in Medicare and other programs on which working people depend, the White House and congressional Democrats are already making plans for a bipartisan attack on social programs after the election.

These plans are being concealed from the people behind a smokescreen of demagoguery about standing up for the “bottom 99 percent” and making the rich pay “their fair share” in taxes. The cynicism of the Obama campaign underscores the phony and undemocratic character of the entire electoral process.

The Obama campaign has focused on political ploys such as the “Buffett Rule,” a proposal to establish a minimum 30 percent income tax rate for all those making \$1 million or more a year. This is an effort to make the American people forget three years of bailouts of the banks and the super-rich and a worsening of income inequality. According to a study released March 2, the top one percent of the American population garnered 93 percent of all increased income in 2010, the first year of economic “recovery” according to the White House.

Obama’s pretended attacks on the wealthy have been combined with denunciations of congressional Republicans and the presumptive Republican presidential nominee Mitt Romney for supporting a budget, drafted by Congressman Paul Ryan, that calls for \$5.4 trillion in spending cuts over the next 10 years, including the gutting of Medicare, Medicaid, food stamps and other social programs. The Republicans would, for example, cut three million people off from food stamps.

The real attitude of the Democrats to massive budget cuts was seen in Tuesday’s decision by Senate Budget Committee Chairman Kent Conrad, Democrat from

North Dakota, to postpone any action on a 2013 budget resolution until after the November election. Conrad announced that his committee would begin drafting a budget resolution based on the deficit-cutting recommendations of the Simpson-Bowles commission, appointed by Obama, but that no actual votes would be taken until after the election—i.e., until it is too late for the American people to react at the polls.

Conrad said he had made the decision to postpone a vote after it became clear that not enough Democrats were prepared to support a comprehensive deficit-reduction plan in advance of the elections. “I don’t think we will be prepared to vote before the election,” Conrad said, indicating action would only be taken in a lame-duck session of Congress.

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The Bowles-Simpson plan would slash \$5.4 trillion from the deficit over ten years, cutting discretionary domestic and military spending as a percentage of gross domestic product from 8.4 percent this year to only 4.8 percent by 2022, and raising taxes, mainly on middle-income families, through abolishing tax breaks such as deductions for mortgage interest and employer-paid health benefits. The plan envisions reductions in income tax rates for the wealthy as well as corporate tax rates.

The result of such policies will be a devastating decline in the living standards and social conditions of the vast majority of working people, who will be paying the price for the ongoing bailout of the financial system, the increase in wealth of the super-rich, and the escalating costs of American military operations overseas.

Obama’s treasury secretary, Timothy Geithner, echoed the concerns of Conrad in remarks ahead of a

meeting Friday of the finance ministers of the Group of 20, which brings together the major industrial and trading nations. At the end of this year, he said, "It will be a big test ... how Washington deals with those challenges." He added, "Hopefully, we use it as an opportunity to make another significant step towards long-term fiscal reform at that time."

Geithner was referring to the period after the November 6 election, when the US Treasury again reaches the legal limit on borrowing and the Bush tax cuts expire December 31, as do other stopgap measures adopted over the past two years, including the extension of unemployment benefits and the payroll tax cut for working people and the deadline for \$1.2 trillion in automatic spending cuts.

These deadlines will be used to create a crisis atmosphere and claim that sweeping austerity measures are unavoidable. The measures that will be brought forward after the election will go far beyond anything proposed publicly by either party.

According to *New York Times* columnist David Brooks, Obama administration officials have given private assurances of support for major spending cuts after the elections and have already proposed, in the most recent budget, to cut discretionary domestic spending from 4 percent of US gross domestic product to only 2.2 percent, far below the level of the Reagan administration.

The 2012 election is a political fraud, used by the big business politicians of both parties to give the American people the illusion of choice, while behind the scenes the two parties are preparing measures so unpopular that they cannot be discussed openly for fear of a public backlash.

The American two-party system is a political conspiracy against the working class. The two parties defend the interests of corporate America and the super-rich. The people have no say in the policies that are carried out.

The Socialist Equality Party is running in the 2012 elections to alert working people to the dangers they face and build a mass popular movement in the working class in opposition to the two big business parties, the Democrats and Republicans, and the profit system which they defend.

We tell workers the truth: the only way to defend jobs, living standards and democratic rights and put a

stop to imperialist war is to fight for a socialist program. We urge all workers and young people to consider the program of the SEP, actively support the campaign of Jerry White for president and Phyllis Scherrer for vice president, and make the decision to join the Socialist Equality Party.

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