

Obama calls for more spending cuts to prevent “sequestration”

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US President Barack Obama called on congressional Republicans Tuesday to reach a deal to quickly implement billions of dollars in spending cuts in order to head off the so-called “sequestration” that is scheduled to take effect at the end of the month.

The sequestration, moved to the end of this month as a result of the bipartisan deal reached last year to avoid the so-called “fiscal cliff,” is a set of budget cuts that neither party supports because they include sharp reductions to military spending.

Speaking at a White House press conference, Obama called on lawmakers to adopt a “balanced approach” to deficit reduction that would include revenue increases in addition to spending cuts. Up to now, Republicans have stated their opposition to any deal that would raise revenues, whether by raising taxes or cutting tax “loopholes,” as the administration proposes.

Obama’s comments were, as always, contrived and cynical. On the face of things, Obama postured as the defender of teachers, firefighters and other workers who stand to be laid off as a result of the sequestration. But in reality his opposition to the sequester cuts is based entirely on the fact that the cuts to military spending it entails would reduce the US’s military capacity.

“Our military leaders have made clear, changes like this—not well thought through, not phased in properly—changes like this affect our ability to respond to threats in unstable parts of the world,” he said, adding, “Border Patrol agents will see their hours reduced. FBI agents will be furloughed. Federal prosecutors will have to close cases and let criminals go.”

Adding to Obama’s warnings, the Defense Department said Wednesday that if the cuts go through, 800,000 civilian employees would be forced to take one

unpaid furlough day per week, beginning the last week of April. The measure would last 22 weeks, and include office staff, maintenance workers, and other personnel.

Earlier Wednesday, *USA Today* had reported that, were the sequestration to go into effect as scheduled, the Army and Navy alone would lay off or furlough 486,000 people throughout the country.

Obama’s opposition to the sequestration cuts has nothing to do with any real opposition to cuts to social spending. Obama has called for \$1.5 trillion in additional “deficit reduction” on top of the roughly \$2.5 trillion that has already been passed. While both parties agree to this ballpark figure in principle, Obama is insisting that that spending cuts be associated with increases in revenues, much of which will come through the elimination of tax benefits that benefit broader sections of the working class.

Obama has been pushing for this measure as part of a so-called “grand bargain” that would lower corporate taxes from the current rate of 35 percent to 28 percent, while including hundreds of billions of dollars in cuts to Medicare, Medicaid and Social Security.

Earlier Tuesday, Alan Simpson and Erskine Bowles, the former co-chairmen of the White House’s bipartisan deficit-reduction commission, held a press conference to propose a set of budget cuts along similar lines to Obama’s comprehensive proposal, although larger in size: \$2.4 trillion over 10 years, compared to the White House’s proposed \$1.5 trillion.

The Simpson-Bowles proposal would cut \$600 billion from federal health care programs like Medicare and Medicaid, while Obama has proposed an additional \$400 billion on top of the cuts that have already been imposed. Commentators were quick to point out that the proposal was far more similar to Obama’s plan than that of the Republicans, since it included a mixture of

spending cuts and revenue increases.

The “sequester” is part of the stage-managed campaign by the two big business parties to impose unpopular policies through manufactured crises. The first installment was made in the aftermath of the 2011 debt ceiling crisis.

The next stage in the process was the so-called fiscal cliff, which was resolved through an agreement to increase taxes on workers, as well as a token increase in taxes on the rich, to be compensated for by planned cuts to corporate taxes that both parties have in principle agreed to.

The attempt by the Obama administration to posture as an opponent of budget cuts is cynical. Obama has overseen an austerity program unprecedented in postwar US history. The number of layoffs of public-sector workers during the first term of the Obama administration is twice that of any other presidency.

The so-called Obama recovery has been nothing but a recovery of corporate profits, which have set records three years in a row, at the expense of workers’ wages and working conditions.

This was amply demonstrated in data released last month by Emmanuel Saez, which found that between 2009 and 2011—the first two years of the “recovery”—“Top 1 percent incomes grew by 11.2 percent while bottom 99 percent incomes shrunk by 0.4 percent. Hence, the top 1 percent captured 121 percent of the income gains in the first two years of the recovery.”

While it is impossible to predict the immediate outcome of the sequestration debate, the end result will be the same: both parties are committed to trillions in spending cuts, whether piecemeal, as has been the case up to now, or in one large agreement.



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