

Sequester to spearhead historic assault on US social programs

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25 February 2013

This week, the news in the United States will be dominated by the Friday, March 1 deadline for the so-called “sequester” to take effect, triggering \$85 billion in across-the-board budget cuts in 2013. Whatever the outcome of the political theatrics in advance of the deadline, the sequester crisis marks a new stage in the ruling class assault on the social conditions of working people in America.

The budget sequestration was to take effect January 1 of this year, but was postponed until March 1 as part of the bipartisan deal to head off the so-called “fiscal cliff” combination of tax increases, cuts in jobless benefits and other measures. The crisis surrounding the March 1 deadline is entirely contrived, the result of the 2011 deal between the White House and congressional Republicans to raise the US debt ceiling.

If the White House and Congress fail to agree on a deficit-cutting plan before March 1, which appears likely, the cuts unleashed by the sequester will have a devastating impact on social programs and services at the federal, state and local levels, including education, housing, home heating assistance, health care, nutritional assistance, road repair and air transport. Cuts in both civilian and military budgets will result in hundreds of thousands of furloughs and layoffs of public-sector workers.

At the same time, the sequester threat is being used to intensify the drive for unprecedented cuts and structural changes in the basic social entitlement programs dating from the 1930s and 1960s, particularly Social Security and Medicare.

The sequester entails a five percent cut in nonmilitary discretionary spending, amounting to \$28.7 billion, as well as a \$9.9 billion cut to Medicare. Public housing will be cut by nearly \$2 billion, special education programs will be cut by \$840 million, and Head Start

will be slashed by \$406 million, kicking 70,000 children out of the program.

On Sunday, the White House released a set of reports detailing the impact of the cuts. By way of examples, White House officials said that 350 teachers would be laid off in Ohio, 4,180 fewer children in Georgia would get vaccinated, and Virginia would be unable to provide assistance for 400 victims of domestic violence.

The sequester also includes \$42.7 billion in cuts to military spending, which neither of the two big business parties supports. The Pentagon has already made clear that its first response to these cuts, if they are triggered, will be to furlough 800,000 civilian Defense Department employees, beginning as early as April.

Despite having already agreed to \$1.4 trillion in spending cuts over the past two years, the Obama administration is using the sequester as an opportunity to cynically posture as an advocate of “shared” sacrifice and a “balanced” approach to deficit-cutting. This ploy amounts to calls for token tax increases on business and the wealthy along with new cuts in social spending, while the Republicans insist that there be no additional taxes on the rich.

At the same time, Obama and the Democrats are pushing for a bipartisan agreement on a “comprehensive tax reform” that will slash corporate taxes, eliminate tax deductions on which millions of ordinary people depend, and shift the tax burden even more heavily onto the working class.

Obama’s public rhetoric is entirely at odds with the assurances the White House is giving to the ruling class that it is determined to slash entitlements. In an official statement posted Thursday presenting the details of the administration’s proposal for a deficit deal with the

Republicans, White House Communications Director Jennifer Palmieri made clear the administration's real intentions.

The statement declares, "The President is serious about cutting spending, reforming entitlements and the tax code to reduce the deficit in a balanced way." It goes on to boast, "The President has already reduced the deficit by over \$2.5 trillion, cutting spending by over \$1.4 trillion, bringing domestic discretionary spending to its lowest level as a share of the economy since the Eisenhower era."

The document includes a single-page breakdown of the cuts Obama is proposing: \$400 billion in cuts in federal health care programs including Medicare and Medicaid, \$200 billion in cuts in mandatory domestic spending, and \$100 billion in discretionary domestic spending, including a \$35 billion cut in federal retirement programs and a \$50 billion cut in unemployment insurance.

At the same time, the White House is reassuring corporate America that its quasi-populist rhetoric is purely for public consumption. The *New York Times* on Sunday cited White House aides who reiterated Obama's previous support for cutting Social Security benefits by recalculating inflation adjustments and slashing \$400 billion more from Medicare. "This offer is out there for them [the Republicans] to accept any time they want to take it," said Dan Pfeiffer, Obama's senior adviser. "I'm not sure what more we could do to show we're serious," he added.

The article concluded by hinting that Obama might be prepared to revive his previous offer to the Republicans to increase the eligibility age for Medicare.

Both parties are well aware that all of these austerity measures are deeply unpopular. A poll conducted last week by Pew Research found that 87 percent of the population is opposed to cuts in Social Security, 82 percent are against cuts in Medicare, and 89 percent oppose cuts in education.

If the White House ends up going along with sequestration, it will be because it calculates that the enactment of the initial cuts will create more favorable conditions to blackmail and bully the American public into resigning itself to unprecedented cuts in basic entitlement programs. Part of this propaganda offensive will be fear-mongering over the impact of cuts to the military on "national security" and a supposedly

heightened danger of terrorist attacks.

Entirely excluded from the official debate are the needs of the vast majority of the American people. With unemployment at mass levels, poverty, hunger and homelessness on the rise, and the closure of schools, health clinics, fire stations, libraries and other essential services continuing to spread, there is no discussion of measures to create jobs or provide social relief.

And under conditions where trillions of dollars are being funneled by the Federal Reserve into Wall Street, stock prices, corporate profits and CEO pay are soaring to new heights, and hundreds of billions are being spent on colonial-style wars and drone assassinations, the entire political and media establishment maintains the lying refrain, "There is no money."

The Obama administration's drive to impose unprecedented austerity measures will further fan the flames of social discontent. There will be mass struggles in opposition to these cuts. What is critical is that they be guided by a clear political perspective that begins with a rejection of the entire framework of the so-called budget debate.

The working class is not responsible for the failure of the capitalist system. It must reject any and all demands that it "sacrifice" to save the fortunes of the financial parasites who are responsible for the crisis. The basic social rights to employment, decent wages, education, housing and a secure retirement can be secured only through the independent mobilization of the working class.

The coming struggles must take the form of a conscious break with the two big-business parties, which are united in seeking to destroy the living conditions of the working class, and a rejection of the capitalist profit system which they defend.



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