

Obama combines sequester cuts with demagoguery

Andre Damon
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As the deadline approaches for triggering \$85 billion in across-the-board budget cuts, the indications are that the White House and congressional Republicans intend to allow the so-called “sequester” to take effect. The crisis over the program of cuts, set to begin on March 1 unless an alternative plan to slash the deficit is reached, is entirely manufactured, the result of previous deals reached by the Obama administration and the Republican leadership.

The impact of these cutbacks will be borne overwhelmingly by working and poor people, with billions slashed from education, anti-poverty programs, health care and other vital services. Once enacted, these cuts will never be fully restored. In effect, a new baseline will have been established for the ongoing onslaught on social programs upon which millions of working people depend.

Behind the stage-managed partisan bickering, there is a tacit consensus between the two parties that the cuts in domestic discretionary spending, estimated to reach \$1.2 trillion over the next decade, can be used to create more favorable conditions for bullying the public into accepting immensely unpopular cuts in the basic social programs remaining from the reforms of the 1930s and 1960s—Medicare and Social Security.

The unstated agenda behind the demagoguery of Obama and the Republicans is to deliberately create a crisis atmosphere and inflict painful cuts in order to claim, weeks or months down the road, that the only way out is a longer-term assault on the basic social “entitlement” programs.

The sequester cuts will have harsh consequences for working people, including:

- * A 9.4 percent reduction in benefits for recipients of federally-funded long-term unemployment insurance.
- * A loss of federal education funding affecting 1.2

million students and resulting in the possible layoff of 30,000 teachers and education staff, plus a \$598 million cut in funding for special education programs.

- * The removal of between 600,000 and 775,000 low-income women and children from the WIC food assistance program.

- * A cut in federal housing assistance that will deprive up to 125,000 families of aid.

- * Unpaid furloughs of up to 15 days of meat and poultry inspectors at the Agriculture Department, resulting in \$10 billion in production losses.

- * The closure of as many as 100 air traffic control towers and furlough of controllers, resulting in widening flight delays.

On Sunday, the White House released reports on the potential impact of the sequester on all 50 states and Washington DC. California, for instance, “will lose approximately \$87.6 million in funding for primary and secondary education, putting around 1,210 teacher and aide jobs at risk.”

The pre-school Head Start program will be cut for 8,200 California children, \$2.6 million will be cut from public health, and the state will lose \$5.4 million in funding for food assistance for low-income families.

Depending on the federal agency, the cuts will amount to between 5 and 9 percent of the budget for the year.

These cutbacks will have a severe impact on the US economy as a whole. Stephen S. Fuller, a professor at George Mason University, found in a study last year that the sequester will cost 2.14 million jobs and increase the unemployment rate by 1.5 percentage points.

The sequester also includes \$42.7 billion in cuts to military spending. The Pentagon has threatened to furlough 800,000 civilian Defense Department

employees, beginning as early as April.

The slated military cuts have prompted howls of protest from the military brass and Defense Secretary Leon Panetta, who claim that they will “hollow out” the US military machine and threaten “national security.” One way or another, the Pentagon, whose base budget has soared since 9/11 from \$397 billion to \$557 billion, will be shielded from any significant cuts.

At the same time, the proposed cuts in defense and security spending will be used for fear-mongering propaganda about the terrorist threat. Already on Monday, Homeland Security Secretary Janet Napolitano called a press conference to declare that the cuts will make the US more vulnerable to a terrorist attack.

President Obama is continuing his demagogic campaign to place the entire blame for the sequester on the Republicans and posture as the advocate of a “fair” and “balanced” program of deficit-reduction that will “protect the middle class” and make the rich pay their “fair share.”

On Tuesday, he made an appearance at the Newport News shipyard in Virginia, a facility that is directly tied into the military and dependent on contracts from major defense contractors. In selecting this site for his latest speech on the sequester, Obama, speaking in front of a giant submarine propeller, signaled his opposition to any significant cuts in military spending.

He blamed congressional Republicans for blocking his proposal for a combination of spending cuts and token increases in taxes for corporations and the wealthy. The Republicans are insisting that there be no tax increases in any new budget deal.

“All we’re asking,” Obama declared, “is that they close loopholes for... hedge fund managers and oil companies... so we can avoid laying off workers, or kicking kids off Head Start, or reducing financial aid for college students.” The cynicism of this claim to be fighting for higher taxes for the rich is exposed by Obama’s support for a “comprehensive tax reform” that includes a cut in corporate taxes from 35 to 28 percent.

The real substance of Obama’s agenda, behind the pseudo-populist rhetoric, was indicated by his reiteration of support for cuts in entitlement programs. In a line meant to reassure his real constituency—Wall Street and corporate America—he said, “Democrats like

me... have said we’re prepared to make some tough cuts and reforms, including to programs like Medicare.”



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