Sequester cuts: A new stage in the assault on the US working class

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2 March 2013

With the launching of $85 billion in domestic spending cuts this year, and $1.2 trillion over the next decade, the American ruling elite has dramatically escalated its drive to place the full burden of its crisis on the working class. The across-the-board cuts in health care, housing, education, public transit, jobless benefits, nutrition assistance and other social services, under the so-called budget sequestration that took effect on Friday, have been presented as temporary reductions pending a bipartisan deficit-cutting deal.

In fact, these cuts will never be fully restored. On top of the $1.2 trillion in cuts enacted by the Obama administration and Congress last year, they establish a new base line for even deeper cuts to come.

At the same time, the escalating impact of the cuts, including mass layoffs and furloughs of federal workers and a chain reaction of cuts and layoffs at the state and local level, will be used to generate a crisis atmosphere and soften up the population for the imposition of historic attacks on the basic health and retiree benefit programs—so-called entitlements—upon which tens of millions people rely.

No less devastating will be the economic aftershocks of the spending cuts, which are expected to cause close to a million job losses after the worst quarter of economic growth since the 2008 crash.

Absent in the phony debate and media blather on the deficit is any reflection of the social crisis bearing down on ever wider sections of the population, or any expression of the needs and interests of working people.

Behind the partisan mud-slinging, the stepped-up offensive against the working class is the product of a conspiracy between the Democrats and Republicans, spearheaded by the Obama administration. In a press conference Friday, Obama professed concern over the impact of the cuts on ordinary people. He postured as the proponent of a “fair” and “balanced” approach to deficit-cutting, and the defender of the “middle class.”

This pose amounts to calls for token tax increases on the rich in addition to spending cuts, and attempts to shift all blame for the sequester cuts on the Republicans, who reject any tax increases.

At the same time, Obama signaled to his real constituency—the corporate-financial aristocracy—that the cuts will be permanent. “In the absence of a decision on the part of the speaker of the house and others to put middle class families ahead of whatever political imperatives he might have right now,” Obama said, “we're going to have these cuts in place.”

He reiterated that his central targets are the core social programs remaining from the reforms of the 1930s and 1960s—Medicare and Social Security. Any eventual bipartisan budget deal, he made clear, would include major cuts in these entitlement programs.

Obama stressed that previous White House proposals—including slashing hundreds of billions of dollars from Medicare, raising the eligibility age for the program, and cutting Social Security benefits—remained on the table.

“I’m prepared to take on the problem where it exists on entitlements, and do some things that my own party really doesn’t like,” he said.

Cuts to these programs, something opposed by close to 90 percent of the population, according to opinion polls, were previously seen as the “third rail” of American politics. The Democrats and Republicans under Obama have conspired to create a series of manufactured crises—the 2011 debt ceiling deadline, the January 1 “fiscal cliff,” and now the sequester—to blackmail the population into accepting the slashing of these programs as the long-term “solution” to what

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they portray as a looming deficit disaster.

Obama's cynicism knows no bounds. His pretense of concern for working people bears no relation to what he has done in the White House—overseeing handouts to the rich and attacks on workers—and what he intends to do.

The sequester cuts are entirely in line with the agenda Obama brought with him when he entered the White House in 2009. The budget projection he presented that year called for a reduction in domestic discretionary spending to 7.4 percent of the US gross domestic product by 2013, and to just 6.3 percent by 2019. This compares to 7.9 percent in the final year of the Bush administration.

It was, moreover, the White House that proposed the sequestration cuts as part of the budget-cutting deal reached with the Republicans in 2011.

Obama has repeatedly boasted of bringing domestic discretionary spending to its lowest level as a share of the economy since the Eisenhower administration. Since taking office, he has overseen the elimination of 719,000 federal, state and local government jobs. If the pre-2008 trend in government hiring had continued through Obama's first term, there would be two million more government employees than there are now.

It is no accident that Obama made gestures in support of gay marriage and women's rights on the eve of the sequester cuts. "I was pleased to see that the House passed the Violence Against Women Act yesterday," he said at his Friday press conference, and noted that his administration had filed a brief the previous day urging the US Supreme Court to overturn a California law banning gay marriage.

These were calculated moves to shore up his support among liberals and middle-class pseudo-left groups, such as the International Socialist Organization, whose obsession with racial and gender politics has provided the ideological framework for their transition into the camp of US imperialism. Obama's sops to gay and women's rights were designed to provide these forces with political cover for their support for his austerity agenda.

The *World Socialist Web Site* and the Socialist Equality Party call on workers and youth to reject the entire framework of the so-called debate on the deficit. Working people are not responsible for and must not be made to pay for the failure of the capitalist system.

The central claim of the ruling elite and its political mouthpieces—that "there is no money" for jobs, education, health care, housing, pensions—is a lie. The American financial elite has never been richer. Even as the government was launching its attack on social programs, the Dow Jones Industrial Average was heading for a new record high. Corporate profits and CEO pay continue to soar, subsidized by trillions in virtually free loans and bailouts from the Treasury and the Federal Reserve.

The resources exist to provide good-paying jobs, decent education, housing, health care and pensions for all. These resources are, under the profit system and the two-party monopoly that defends it, concentrated in the hands of a tiny parasitical elite.

Workers should reject all demands that they "sacrifice" to bail out this modern-day aristocracy. Instead, they should demand that all of the cuts already enacted be fully restored and hundreds of billions of dollars be made available to secure their basic social rights to jobs, education, housing and health care.

These demands can be met only through the united mobilization of the working class in opposition to the Obama administration, the two parties of big business, and the entrenched wealth and power of the financial oligarchy. The Socialist Equality Party fights for the development of a mass socialist movement of the working class to establish a workers' government and nationalize the corporations and banks under the democratic control of the working population. This is the only basis for reorganizing economic life on the basis of social need, not private greed.

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