

Obama signals cuts to remain in place

Sequester initiates new austerity drive against US workers

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4 March 2013

Over the weekend, President Barack Obama and Democratic and Republican lawmakers signaled that the across-the-board cuts in social programs under the so-called budget “sequestration” order signed Friday by Obama will remain in place indefinitely.

The unprecedented cuts in jobless benefits; education; student loans; nutritional aid to mothers and children; food, drug and water safety; air transport; research and infrastructure and other vital social needs will become the starting point for negotiations over the fiscal year 2014 federal budget. The focus of these talks will be massive cuts in the core social programs dating from the reforms of the 1930s and 1960s—Medicare, Medicaid and Social Security.

The political theatrics surrounding the sequester follow a well-established “bad cop, good cop” pattern, in which the Republicans openly defend the wealth of the rich and propose the most extreme measures to loot society in their behalf, while the Democrats posture as defenders of the “middle class” and propose slightly less savage attacks. The pre-agreed result is always the same: a further turn to the right and an escalation of the ruling class’s war against working people.

Since Friday, Obama and Democratic leaders have made it clear that in negotiations with the Republicans to extend funding authorization for the federal government, which expires on March 27, they will not seek to replace the sequester with a deal incorporating token tax increases on the wealthy along with more targeted spending cuts. Instead, they will accept an offer from the Republicans to extend funding at the post-sequester level, i.e., minus \$85 billion, until the end of the current fiscal year, September 30.

As the *New York Times* put it on Saturday, this

decision “most likely allows the across-the-board spending reductions to remain in place for months if not years.”

In the same article, the *Times* indicated that both parties were already agreed that the \$46 billion in Pentagon cuts mandated by the sequestration order would be watered down in the bill to continue funding the government. The newspaper reported that the Republican-controlled House of Representatives would unveil legislation Monday “with detailed spending instructions for the military to loosen some of the current spending strictures.” Lawmakers from both parties, the article continued, “indicated they expected a quick resolution with the [Democratic-controlled] Senate.”

The sequester cuts in “discretionary” spending—covering agencies whose budgets must be approved annually—will quickly begin to exact a devastating toll on sections of the working class, and the impact will mount week by week. One of the first effects will be a cruel cut in federal benefits for the long-term unemployed. This month, the 3.8 million Americans who have been out of work for more than six months will see their weekly benefit cut by nearly 11 percent, or about \$32, from the already miserly average of \$292.

Federal grants to the states will be quickly reduced, creating a knock-on effect in which state and local governments cut services, pay and jobs. Federal officials on Friday began sending out letters to state governors detailing the funding cuts. One of the worst hit regions will be Washington DC, which already has one of the country’s worst poverty rates. Federal spending accounts for 39 percent of the economy of the

national capital's metropolitan area.

An estimated 600,000 low-income women and children will be denied benefits under the federal nutrition program for women, infants and children known as WIC, which will lose \$340 million in funding this fiscal year.

Between now and September 30, all nonexempt civilian federal agencies will see their funding cut by 9 percent. The Federal Aviation Administration says it will have to impose unpaid furloughs on thousands of air traffic controllers and close scores of control towers. The Centers for Disease Control and Prevention will lose \$289 million. Hundreds of thousands of civilian Defense Department workers may face up to 22 unpaid furlough days. Meat and poultry inspectors will be furloughed, resulting in intermittent closures of processing plants and higher consumer prices.

Obama and the Democrats continue to cynically pose as opponents of the sequester cuts even as they maneuver with the Republicans to make them permanent. This pretense reached new heights of absurdity in Obama's press conference Friday and his weekly address to the nation on Saturday.

In the latter, he acknowledged the social impact of the cuts, focusing on the effect on the military and military-related businesses and communities. "Businesses that work with the military will have to lay folks off," he said, and added that "Hundreds of thousands of Americans who serve their country...will see their wages cut and their hours reduced."

He noted economists are forecasting that the sequestration will eventually cost more than 750,000 jobs and cut US economic growth by over 0.5 percent.

He then sought to pin the blame entirely on the Republicans for rejecting his call for token tax increases on the wealthy, hinted that the cuts would continue indefinitely, and reiterated his previous proposals for unprecedented reductions in Medicare and Social Security, employing the standard euphemism of "entitlement reform."

The official media portrayal of the sequestration as an outcome of unbridgeable and deep differences between the Democrats and the Republicans is a fraud. The draconian austerity measure is a bipartisan attack on the working class, spearheaded by the Obama administration. The budget sequestration was initially proposed by the White House as part of the 2011 deal

with the Republicans to raise the debt ceiling, which also included \$1.5 trillion in spending cuts.

The massive reduction in discretionary spending over the next ten years to which the government is now committed—including \$1.2 trillion from the sequester and the \$1.5 trillion agreed upon in 2011—corresponds to the first budget proposed by Obama in 2009, in which he set a course for slashing spending as a percentage of the economy by 2019 far below the level during the final year of the Bush administration.

Obama and the two corporate-controlled parties decided to implement the sequester because they concluded it was the most effective means of gutting social spending while whipping up a crisis atmosphere so as to wear down and dissipate mass popular opposition to attacks on Medicare and Social Security.



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