

Sequester cuts shut down four government agencies for one day

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The Internal Revenue Service (IRS), Environmental Protection Agency (EPA), and Department of Housing and Urban Development (HUD), three of the largest US government agencies, were shut down Friday as a result of furloughs implemented as part of \$1.2 trillion in sequester budget cuts.

Those departments are joined by the smaller Office of Management and Budget. All but top officials were sent home without pay and expected to make up lost work after the Memorial Day weekend.

In total, 115,000 workers were affected by the furloughs, amounting to 5 percent of the total federal workforce. The only services available on Friday from these agencies were those run by private subcontractors.

This is the first major closure of federal services since 1996, when former president Bill Clinton vetoed a budget passed by the Republican-controlled Congress, leading to a government shutdown.

Employees at the IRS can expect three more furlough days this year, while HUD and EPA workers will receive another two, resulting in a more than 5 percent pay cut. Civilian workers in the Department of Defense face even more severe furloughs at one day a week, amounting to a 20 percent wage cut.

The furloughs do not reduce the number of housing applications to process or pollution levels to monitor. They simply reduce the time workers have to conduct the work while lowering the amount they are paid to do it.

The departments closed on Friday have been frequent targets of right-wing attacks, the EPA for its token regulation of industrial pollution, HUD for its programs of subsidized housing, and the IRS for taxes.

Just days after a congressional committee fawned over Apple for evading \$9 billion last year in taxes,

Representative Steve Scalise of Louisiana stated, “The more days the IRS is closed, the better our economy will probably do.”

There is a sharp contrast between Congress’s attitude toward corporate profits on the one hand, and the wages, benefits and social conditions of workers on the other.

The sequester cuts affect workers through both direct wage cuts and a reduction in social services. For example:

- Of the 94 federal public defenders offices, nine are planning more than 30 days of furloughs, and the majority will cut 15 to 25 days in a six-month period.
- Furloughs for 12,000 employees of the National Oceanic and Atmospheric Administration, responsible for tornado and hurricane warnings, are to begin on the July 4th weekend.
- 70,000 low-income children will not be able to take part in the Head Start preschool program due to \$400 million in cuts.
- Although Meals on Wheels is estimated to serve only a third of the 25 million people over 60 who are poor or near poor, they are facing \$38.7 million in cuts.
- \$960 million has been cut from highway funding even though over 68,000 bridges are rated “structurally deficient.”
- Veterans Affairs benefit programs to support the spouses and children of killed soldiers are being reduced by \$392 million.

In the few months since the sequester cuts were first announced, more and more Americans have experienced their impact. In March a *Washington Post*–ABC poll reported that only 25 percent of the population experienced a negative impact from these cuts. The same question in May showed that 37 percent were feeling the pain.

While President Obama is on record as calling the sequester cuts “dumb,” he readily signed the budget passed last March by Democrats and Republicans that made the across-the-board cuts permanent.

The standard refrain from politicians like Obama is that Americans must “live within their means.” They make no such demands on the corporations that caused the economic crisis. In 2008 the ruling elite readily bailed out insurance company AIG for \$85 billion, the same amount they have now cut through the sequester. Eighty-five billion dollars is also the amount printed every month by the Federal Reserve to hand to banks and Wall Street speculators.

Similarly, when Apple CEO Tim Cook stood before a Senate subcommittee to say that the corporate tax rate should be reduced from 35 to 20 percent, following revelations that the company paid no taxes last year, senators from both parties joined in heaping praise on Apple.

Harsh as they are, the sequester cuts presage an even sharper turn to austerity, with Obama and the entire political establishment now moving to implement massive cuts in bedrock social programs like Medicare and Social Security.



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