

US Congress moves toward government shutdown

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The United States moved closer to a government shutdown next week as the Democratic-controlled Senate voted Wednesday to take up debate on a bill that would fund the government through November 15 of this year. The Republican-controlled House of Representatives has tied any funding of the federal government for the new fiscal year, which begins October 1, to the defunding of the Obama administration's health care overhaul, a condition the Democrats say they will not accept.

A version of the funding bill that includes language removing funding from Obama's Affordable Care Act (ACA) was passed last week in the House of Representatives, but the Senate is expected to strip out that language before sending the bill back to the House. If funding for the start of the next fiscal year is not approved by Monday night, portions of the federal government are expected to shut down Tuesday.

House Republican leaders are also threatening to tie any increase in the federal government's debt limit to a provision that would delay implementation of the ACA for one year.

Treasury Secretary Jack Lew sent a letter to members of Congress Wednesday informing them that the government would lose its ability to raise additional funds "no later than October 17" if Congress did not act to raise the government's borrowing limit. "If we have insufficient cash on hand," Lew wrote, "it would be impossible for the United States of America to meet all of its obligations for the first time in our history."

Wednesday's Senate vote followed a 21-hour speech by Republican Senator Ted Cruz denouncing the ACA. Cruz's political stunt served only to delay Senate action on the funding bill. His action aroused public opposition from a section of Senate Republicans who oppose the tactic of shutting down government operations as likely to backfire on the Republican Party.

However, sections of Republican lawmakers,

particularly those in the House linked to the so-called "Tea Party," calculate that a dramatic gesture in opposition to "Obamacare" will in the longer run enable the Republican Party to capitalize on rising popular anger against the health care plan and, more generally, the pro-corporate policies of the Obama administration. These right-wingers hope to channel popular anger behind their own reactionary agenda.

As the Affordable Care Act moves closer to implementation, it becomes increasingly clear that it is designed to usher in a wholesale reduction in health care benefits for tens of millions of working people. A growing list of major companies, including most recently the grocery chain Trader Joe's, have announced that they are ending health coverage for their employees and dumping them onto health care exchanges, including those set up under the ACA. The city of Detroit, currently seeking bankruptcy protection, is proposing to do the same to its active employees.

Workers will essentially be forced to buy insurance on an individual basis from private companies, using cash payments from their employers or government subsidies under the ACA for low-income individuals. The net effect will be a voucher-type system along lines long advocated by Republican opponents of health insurance for working people. There can be little doubt that once established in the private sector, the same principle will be extended to Medicare, the federal health insurance program for retirees—creating the conditions for the dismantling of the government program.

At the same time, the ACA requires the uninsured to purchase coverage on the insurance company-dominated exchanges, imposing fines on those who fail to do so. This creates a massive new market and source of revenue for the insurance and health industry corporations. The plan also calls for hundreds of billions of dollars in cuts in Medicare funding.

While the Republicans are seeking to score political points by denouncing—albeit from a right-wing standpoint—a law that is broadly unpopular, the atmosphere of crisis whipped up by the threat to shut down the government is being used by both parties to force through broadly unpopular spending cuts.

This is only the latest in a series of manufactured crises, including the 2011 debt ceiling crisis that led to over \$2 trillion in spending cuts and the 2012 “fiscal cliff” that preceded the imposition of “sequester” across-the board budget cuts beginning last March. The sequester cuts total over \$85 billion this year and \$1.1 trillion over the next eight years.

In each case, the political establishment created an artificial crisis and used the threat of a government shutdown or default to impose trillions of dollars in unpopular spending cuts.

The sequester cuts are continuing to have a disastrous impact, slashing extended unemployment benefits, housing assistance, education funding, the preschool Head Start program, public defenders and other vital services. Hundreds of thousands of federal workers have been forced to take unpaid furloughs, in some cases cutting their income by 15 percent.

The sequester—originally proposed in 2011 by the Obama White House—was adopted in order to implement unpopular spending cuts to which both parties agreed but for which neither wanted to assume political responsibility.

While the Obama administration claims to support doing away with the sequester cuts, it has indicated it might agree to their continuation as part of a new budget deal with the Republicans. At the same time, Obama has reiterated his support for unprecedented cuts in Social Security and Medicare—the bedrock programs still remaining from the New Deal and Great Society.

For all the talk of partisan warfare and “gridlock,” there has never been a greater degree of bipartisan consensus on all fundamental issues of economic and social policy.

Both the Republican-dominated House and the Democratic-controlled Senate have voted in favor of slashing food stamps, with the Senate proposing \$4.5 billion in cuts over ten years while the House proposed nearly \$40 billion in cuts. This is taking place in the midst of the deepest economic slump since the 1930s, with record level of long-term unemployment and rising poverty and hunger. There are currently 47 millions Americans who rely on food stamps to feed themselves and their families—a record high. Any level of cuts will

throw hundreds of thousands, if not millions, of people off of the program.

In addition to such future cuts, food stamp benefits will be further reduced in November when a 13 percent increase included in the 2009 stimulus act expires.

As in the past, the Republicans lay down a marker for the most extreme and rapid implementation of austerity measures on which both parties agree in principle. This establishes the political framework within which the Democrats move even further to the right, accommodating the Republicans by upping their own cuts proposals.

Regardless of whether the current round of budget negotiations leads to a government shutdown, the outcome of the latest crisis will be an acceleration and intensification of austerity measures. Meanwhile, the Federal Reserve continues to pump \$85 billion a month into the financial markets, fueling the stock market boom that is adding to the fortunes of the American financial elite.

That right-wing Republican demagogues can get a hearing within the population by means of populist-sounding rhetoric is due to the absence of any faction within the political establishment that articulates the interests and views of the masses of people. There does not exist a “progressive” or “liberal reform” wing within the Democratic Party that opposes attacks on the working class or proposes genuine social reforms.

The only way to fight the onslaught on health care, pensions and other social needs is to build a mass independent movement of the working class in opposition to the Democrats and Republicans and the capitalist system they defend.



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