

The class issues in the US budget crisis

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The US government on Thursday continued on its course toward a possible shutdown next week, as House Republicans reiterated their refusal to pass a government funding resolution that does not include the defunding of the Obama administration's health care overhaul.

Judging by the acrimony and mutual recrimination between the Democrats and Republicans, it would seem that there were great issues of contention in the budget debate between the two parties. But behind the largely stage-managed facade of "partisan gridlock," both parties are united in attacking the social conditions and living standards of working people.

What are the supposedly vast ideological differences? Both the Democrats and Republicans favor cutting social spending, including cuts to Social Security and Medicare, the bedrock social programs previously considered the "third rail" of American politics.

There is no liberal reform wing of the political establishment. No Democratic officeholders are proposing serious measures to rein in the banks, provide decent-paying jobs for the unemployed, or rebuild the schools.

Both the Democratic-controlled Senate and the Republican-controlled House of Representatives recently voted to slash food stamp spending in the midst of the worst economic crisis since the Great Depression. Both support aggressive war as an instrument of policy, both are complicit in the government's domestic spying and assassination programs. Both exclude from consideration significant cuts in the hundreds of billions spent every year on the military and intelligence apparatus and interest payments to the banks on the US debt.

What is the budget crisis really about? The threat to shut down the government is, in the first instance, yet another attempt to impose massively unpopular spending cuts by whipping up a crisis atmosphere.

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.

These crises have been used to set the stage for attacks that previously would have been considered politically impossible. With each debt crisis, the script is largely identical. The Republicans stake out an extreme position, demanding deeper cuts than had ever been proposed before. The Democrats then work out a compromise that accepts the bulk of the Republicans' demands and seek to disguise their own support for right-wing austerity policies with complaints about Republican "intransigence."

This time around, the budget crisis revolves around Republican opposition to Obama's Affordable Care Act, which is unpopular among large sections of the population who rightfully see it as an attempt to slash their health care benefits. Under conditions where the entire supposedly "liberal" and "left" wing of the political establishment is lined up behind Obama and his reactionary health care "reform," the Republicans are seeking to tap into popular discontent by demagogically denouncing the bill, albeit from a right-wing perspective.

The Affordable Care Act lays the groundwork for corporations and local governments to shed their insurance coverage for employees, offloading their workers onto the newly established health care exchanges, where they will be required to purchase private insurance. Today, Obama administration officials are meeting with Detroit's emergency manager, Kevyn Orr. Along with the gutting of city workers' pensions, Orr is proposing to eliminate health care benefits for retirees and shift them onto the

exchanges or, if they are over 65, onto Medicare.

The Affordable Care Act is essentially a Democratic Party appropriation of health care “vouchers,” which Republicans have championed for decades as a means of undermining employer-provided health coverage and privatizing Medicare, the government-run program for seniors. Under Obama and the Democrats, this reactionary policy is presented as a “progressive” social reform in an attempt to fool the people and provide political cover for the trade unions and liberal and pseudo-left organizations that orbit around the Democratic Party to back it.

The entire budget “debate” takes place amid record corporate profits, soaring inequality, and a booming stock market fueled by \$85 billion per month pumped into the financial system by the Federal Reserve.

The fact that under conditions of mass unemployment, growing poverty and falling wages the conflict between various sections of the political establishment is over how quickly to implement measures that will throw millions more into poverty says a great deal about the character of the US political system.

The American population as a whole is moving to the left, as evidenced by mass opposition to the Obama administration’s war plans against Syria and the police state spying operations of the National Security Agency. There is a vast and unbridgeable gulf between these sentiments and the entire political establishment, which, in turn, is the political expression of the immense social divide in America.

It is impossible to oppose the offensive against the working class within the framework of two right-wing parties and the capitalist system they defend.

What is required is an independent political movement of the working class fighting to reorganize economic life on the basis of social needs, rather than private profit. The claim that there is no money to pay for social programs is a brazen lie.

The money exists, but it is being hoarded by the multimillionaires and billionaires who plunder the country and the world for their own enrichment. The vast fortunes of the super-rich must be expropriated and the major banks and corporations nationalized in order to guarantee the right of all people to a decent-paying job, health care, housing, education, a secure retirement and access to art and culture.



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