

US prepares to furlough 800,000 workers as shutdown looms

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The US House of Representatives voted Saturday to tie a bill that would fund the federal government for part of the new fiscal year to a delay in implementing the Obama administration's health care overhaul, setting the stage for a US government shutdown at 12:01 AM Tuesday.

A government shutdown would be the first in seventeen years. It would entail furloughs for over 800,000 federal workers and the total or partial shutdown of most federal agencies, while having a minimal impact on the military and the intelligence/domestic security apparatus.

The House bill will be taken up Monday afternoon by the Democratic-controlled Senate, which is expected to strip out any restrictions on the Affordable Care Act (ACA) before sending it back to the House. At that point, the House is expected to reject the Senate version, setting the stage for a partial shutdown of federal government functions to begin after midnight.

The immediate crisis over extending funding for the federal government after the October 1 beginning of the new fiscal year could be a prelude to an even more consequential crisis over raising the debt limit to avoid a default by the US government when the current debt limit is reached on October 17. House Republicans are threatening to tie an increase in the debt limit to a delay in funding for the ACA.

There is a possibility that the Republican-controlled House might offer an extension of government funding for a few days to avert an immediate shutdown, while seeking concessions on the health care program from the White House and congressional Democrats.

Interviewed on "Fox News Sunday," Kevin McCarthy, the House Republican whip, said, "I think the House will get back together in enough time, send another provision not to shut the government down but to fund it, and it will have a few other options in there for the Senate to look at."

He held out the possibility of a deal in which House

Republicans removed their provision for a one-year delay in implementing the ACA and Senate Democrats accepted Republican demands to lift a provision in the ACA imposing a tax on the makers of medical devices. Business interests, led by AdvaMed, a medical device trade organization, have been lobbying fiercely for a repeal of the tax. A section of congressional Democrats have joined Republicans in opposing the tax measure.

The impact of a government shutdown would be imposed overwhelmingly on the working population. Some 95 percent of employees at the Department of Education would be furloughed, as would 92 percent of workers at the Department of Energy, while all of the department's regulatory activity would come to a halt.

The Environmental Protection Agency would have enough people on the job only to "keep the lights on and respond in the event of a significant emergency," said EPA Administrator Gina McCarthy. Environmental regulation would likewise stop.

The Department of Health and Human Services would be at about half capacity, and the Centers for Disease Control said it would have "minimal support to protect the health and well-being of US citizens" and "significantly reduced capacity."

The Food and Drug Administration would have to stop "the majority of the laboratory research necessary to inform public health decision-making," and most regulatory oversight would be shut down. Only about 4 percent of the workers at the Department of Housing and Urban Development would remain on the job, and housing assistance payments could be delayed.

Equally telling are the agencies that will be largely unaffected. The Federal Reserve, which is pumping \$85 billion per month into the financial system, would be unscathed. All active-duty uniformed military personnel would continue on duty, and the Department of Homeland Security would be largely unaffected. As for the National

Security Agency's domestic spying activities, "A shutdown would be unlikely to affect core NSA operations," an official told the *Hill* publication.

There exist divisions in the Republican Party about a government shutdown, with a significant section of the party, including senators John McCain and Lindsey Graham, arguing that such a move would backfire on the Republican Party.

The Republicans linked to the so-called Tea Party, who are spearheading the shutdown threat, are both playing to their base of disoriented middle-class layers and calculating that popular opposition to the Affordable Care Act—a reactionary scheme to cut corporate and government health care costs and slash workers' benefits—will grow, as well as more general popular opposition to the Obama administration.

While Republicans may evoke public anger in the short-term by forcing a government shutdown, in the mid- and longer-term, they believe, Republican candidates may profit by having posed as intransigent opponents of Obamacare and the administration as a whole. By the time of the 2014 mid-term elections and the 2016 presidential election, their tactic of exploiting popular skepticism and opposition to President Obama's health care overhaul may benefit the GOP.

Republican opposition to the ACA is cynical and demagogic. It is being deployed on behalf of demands for social cuts and windfalls for big business even more extreme than those proposed by Obama and the Democrats.

The Democrats, on the other hand, are calculating that the public will blame a government shutdown on the Republicans, discrediting the party, as was the case in the 1995-96 government shutdowns.

Both parties support massive attacks on social programs upon which tens of millions of working people depend, as well as new giveaways to corporations and the rich, such as a sharp reduction in corporate taxes. At a fundamental level, the latest manufactured government crisis is being used to shift the entire political agenda further to the right and create conditions for intensified attacks on the working class.

In this instance as in every previous such crisis, 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 proposals for cuts.

This is a well-established pattern. The budget impasse at the end of 2010 was resolved with the White House agreeing to extend for two years the Bush-era tax cuts for the rich, while implementing a cut in payroll taxes for both employers and employees that drained funds from the Social Security system.

The crisis over the federal debt ceiling in the summer of 2011 ended with a deal to impose over \$1 trillion in spending cuts over the next ten years, along with an agreement that another \$1.2 trillion in across-the-board "sequester" cuts would be triggered at the beginning of 2013 if no deficit-cutting deal had been reached between the White House and Congress by then. In the course of those crisis negotiations, Obama offered unprecedented cuts in Medicare and Social Security as part of a "grand bargain" with the Republicans.

The debt-limit deal was followed six months later with a bipartisan deal, brokered by the White House, to sharply reduce the duration of federal extended jobless benefits for the long-term unemployed.

Later in 2012, the so-called "fiscal cliff" crisis resulted in the triggering of the sequester cuts, beginning last March. The current budget and debt limit impasse will likely be used to extend the sequester cuts, compounding the already severe impact of cuts in programs ranging from Head Start to housing subsidies to legal aid for the poor. Meanwhile, Obama has reiterated his support for sharp cuts in Medicare and Social Security along with a reduction in corporate taxes.

Last year, Obama boasted that the austerity measures imposed during his tenure had brought "annual non-security [discretionary] spending to its lowest level as a share of the economy since Dwight Eisenhower sat in the Oval Office."



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