

# US shutdown: A bipartisan war against the working class

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After day one of the US government shutdown, neither the Obama administration nor the Republican-controlled House of Representatives seems in any hurry to end the funding impasse. There are no publicly announced negotiations and no apparent shift in House Republicans' insistence that a continuing resolution to fund the federal government include a delay in the implementation of Obama's health care overhaul, or the White House's refusal to negotiate on the issue.

There are growing indications that, as with previous artificially engineered government crises, a phony war between the two corporate-controlled parties is being used to escalate the relentless and very real war against the living standards of the working class.

Wall Street on Tuesday shrugged off the first government shutdown in 17 years, with all three major stock indexes ending the day with substantial gains.

This reflects the attitude of the corporate-financial elite to the punishing impact of the shutdown on millions of working and poor people in America. Some 800,000 federal workers, including 400,000 civilian Defense Department workers, have been furloughed without pay and thousands more ordered to report to work with no assurance that they will receive paychecks. The 2 million federal employees have already been hit with a three-year wage freeze imposed by President Obama and weeks of unpaid furloughs as a result of the "sequester" cuts that began to take effect last March.

The WIC program that provides food to 8.9 million low-income mothers and children has been halted, as has the Veterans Administration's processing of disability claims.

At the same time, care has been taken to ensure that the shutdown does not seriously impact the uniformed military or the vast apparatus of domestic spying and

repression, including the NSA, the CIA, the FBI and the Homeland Security Department.

The *Washington Post* reported, "Privately, senior Republicans predicted that the closure would last at least a week." The newspaper continued: "Democrats predicted that if the shutdown stretches into the weekend, the government-funding dispute could be rolled into an even more serious battle over the \$16.7 trillion federal debt limit ... Democratic aides predicted that negotiations to reopen the government may be merged into the debt-limit talks."

Here one sees the method behind the seeming madness of the political establishment. October 1 marked the beginning of the new fiscal year and the end of authorization for government funding without new legislation. Later this month, the US will hit its current debt ceiling, raising the specter of national default unless an increase in the debt limit is authorized by Congress.

The shutdown, it is calculated, will create optimal crisis conditions to use the convergence of these deadlines as a cover for a bipartisan deal to impose unprecedented austerity measures, including sweeping attacks on bedrock programs such as food stamps, Medicare and Social Security.

This modus operandi for shifting the entire political establishment further to the right and imposing cuts that would previously have been considered politically impossible is by now well-oiled and well-rehearsed. Similar crises in 2010, 2011 and 2012 were used first to extend Bush tax cuts for the rich for two years, then to enact over \$1 trillion in cuts in discretionary spending, and finally to put in place the "sequestration" process that will cut federal spending by \$85 billion this year and by \$1.2 trillion over eight years.

In the 2011 debt ceiling crisis, Obama offered the

Republicans a deficit-cutting “grand bargain” that included slashing cost-of-living increases for Social Security recipients and raising the eligibility age and introducing means testing for Medicare, the federal health care program for retirees.

In those crises, as in the current shutdown, the most aggressive role was played by right-wing Republicans, who demanded even more extreme and rapid social cuts than those proposed by Obama and the Democrats. They set the tone, and, in the name of resolving a crisis situation, the Democrats adjusted their policies to accommodate the bulk of the Republican right’s agenda.

This time around, it will be no different. The Democrats have already begun the process, with House Democrats on Monday agreeing to cut \$42 billion from their spending proposal and accept the Republicans’ lower level.

In a Rose Garden speech Tuesday, Obama signaled his readiness to work out a bipartisan agreement to “get our fiscal house in order over the long run”—a coded reference to historic attacks on Medicare and Social Security. With uninsured Americans standing behind him as photo-op props, the president shed crocodile tears for federal workers and others hit by the shutdown, while showing no inclination to end the shutdown any time soon.

He used his speech to tout his health care overhaul—a reactionary measure that will slash health care coverage and raise out-of-pocket costs for tens of millions of working people, provide windfall profits for the insurance corporations and health care giants, and encourage companies and local governments to drop their employee health plans and force workers to buy private insurance on the health care exchanges established by the Affordable Care Act. Already many companies such as IBM and Walgreens and cities such as Detroit have moved to dump their workers onto these exchanges, giving them cash vouchers to buy individual policies.

This introduction of vouchers for the purchase of insurance will inevitably be extended to Medicare, undermining the program and setting it up for privatization.

Behind the façade of partisan “gridlock,” there has never been greater consensus between the two parties on substantive matters of social policy. They

completely agree on making the broad mass of the population pay for the crisis of American and world capitalism. The differences revolve around the best means for doing so.

Under conditions of mass unemployment, rising poverty and unprecedented levels of social inequality—with the Federal Reserve pumping \$85 billion a month into the financial markets—there is no faction in either party that advocates genuine social reforms. Instead, the single-minded focus of the Obama administration and the entire political establishment is protecting and increasing the wealth of the richest 5 percent.

Public anger and disgust over the shutdown and the ongoing attacks on living standards and democratic rights must be turned into a conscious political movement of the working class directed against both parties and the capitalist system they defend. The Socialist Equality Party calls for the nationalization of the banks and corporations and their transformation into public utilities under the democratic control of the working class.

This, along with the seizure of the ill-gotten wealth of Wall Street criminals and a vast restructuring of the tax system to place the burden on the rich rather than workers, will create the conditions for providing quality health care for all, while guaranteeing the social right to a job, decent wages, education, housing, a secure retirement and access to culture.

This is the socialist answer to the crisis.



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