

The US budget deal and the political conspiracy against the working class

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The bipartisan budget agreement reached between congressional Democrats and Republicans, with the support of the Obama administration, is the latest act in a political conspiracy against the working class, aimed at slashing social programs and effecting a further redistribution of wealth to the corporate and financial elite.

The agreement, adopted Thursday by the House of Representatives by an overwhelming margin of 332-94, makes permanent over a trillion dollars in “sequester” budget cuts, increases federal employee pension contributions, establishes new consumption fees, and makes nearly \$30 billion in additional cuts in Medicare reimbursements. President Obama has already said he will sign the measure.

The regressive, anti-social character of the budget deal is most clearly expressed in the fact that it allows for the expiration of federal unemployment benefits, ending cash assistance for the long-term unemployed after Christmas.

A total of 1.3 million people are scheduled to lose their unemployment benefits on December 28, and an additional 3.6 million people will be cut off from income support next year. By the White House’s own estimate, two additional family members are supported by each recipient of extended jobless aid, bringing to nearly 15 million the number of people potentially affected by the expiration of federal jobless benefits—nearly five percent of the population.

The class character of the entire political system is starkly revealed by this cruel act. It is being carried out even as the Federal Reserve continues to funnel \$85 billion *a month*—more than three times the cost of extending benefits for an entire year—to fuel a record stock market boom and soaring corporate profits. The budget deal restores military spending approximately

equal to the cost of the unemployment benefits, further feeding a military and intelligence machine that consumes close to \$1 trillion every year.

How many people will be made homeless, or forced to choose between medical care and putting food on the table, as a result of the unemployment benefit cuts? How many will be thrown into poverty? These cuts are being implemented, despite the talk by the Obama administration and the media of “economic recovery,” as requests for food assistance are rising and the country remains plagued by mass unemployment.

The two big business parties posture as bitter opponents, but in reality they are united on all fundamental aspects of policy. The basic unity of the two parties was summed up by Democratic Senate Budget Committee Chair Patty Murray in announcing the deal on Tuesday. She and her Republican counterpart, Paul Ryan, “cheer for a different football team,” Murray said. “We catch different fish. We have some differences on policy, but we agree that our country needs some certainty and we need to show that we can work together.”

Ryan, the House Budget Committee chairman and Republican vice presidential candidate in 2012, has put forward budgets that would dismantle Social Security and Medicare. He is now presented by the media as the “moderate” face of the Republican Party.

The outcome of the budget talks was predictable. Against those who promoted the official narrative of the October government shutdown—peddled by both the mainstream press and various fake “left” organizations—that the main characteristic of US politics is the vast ideological chasm between the Democratic and Republican parties, the *World Socialist Web Site* wrote: “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.”

As the WSWS predicted, the government shutdown was the prelude to a further shift to the right by the Obama administration and the Democratic Party. The aftermath of the government shutdown has brought a renewed drive to impoverish the population.

In November, food stamp benefits were slashed nationwide for the first time in US history, eliminating the equivalent of two days of food every month for 47.7 million people. Congress is scheduled to vote on a farm bill in the coming days that will slash billions more from the food stamp program.

Earlier this month, a federal judge approved the Detroit bankruptcy, with the support of the White House, setting the stage for massive cuts in Detroit city worker pensions and similar attacks on public employee pensions across the country.

This is only the latest stage in a series of measures, each aimed at furthering the transfer of wealth to the corporate and financial elite. While both parties initially claimed they favored doing away with the automatic sequester cuts, these claims were entirely for public consumption.

The bipartisan agreement keeps the sequester cuts in place to serve as a mechanism for slashing spending by a hundred billion dollars per year, year after year, and bring domestic spending down to the levels that existed in the 1950s. Since 2011, US domestic social spending has been slashed by 8.9 percent, a fact of which Obama speaks with pride.

For many years, and particularly since the financial collapse of 2008, the ruling class has been engaged in a restructuring of class relations. On the one hand, bank bailouts and “quantitative easing,” on the other, cuts in social programs and the utilization of mass unemployment to drive down wages and reduce living standards. Each of the manufactured budget crises since 2010 has shifted the political establishment further to the right.

More is to come. As Obama himself put it, the budget agreement is a “first step.” With the deal set, the ruling class turns its greedy eyes to the substantial funds contained in the Medicare and Social Security programs. A persistent theme in media and political

commentary is that the budget deal creates the bipartisan framework to take on entitlement programs such as Social Security and Medicare in the face of overwhelming popular opposition to any cuts.

In all of this, the state emerges clearly not as a neutral arbiter, but as a ruthless instrument of class rule. The fight back by the working class requires a political and revolutionary mobilization, aimed at taking political power and instituting a program based on the interests of the vast majority of the population.

The defense of the social rights of working people is impossible within the framework of the capitalist system. In opposition to the two big business parties, the working class must build a mass political movement armed with a socialist program to reorganize society on the basis of social need, not private profit.



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