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US shutdown targets workers and poor people

By Barry Grey

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Exuding contempt for the American people, the US Congress failed to pass a continuing resolution to fund federal operations on Monday, shutting down large sections of the government as of 12:01 AM Tuesday.

Throughout the day, the Democratic-controlled Senate rejected funding bills sent by the Republican-controlled House of Representatives that included delays in the implementation of the Obama administration's health care overhaul, which was enacted in 2010 and is due to become fully operational next year.

The House, for its part, refused to pass a continuing resolution without such provisions. While so-called Tea Party Republicans in the House played the leading role in blocking a temporary government funding bill, hoping to capitalize on popular opposition to Obama's reactionary health care "reform," the White House and congressional Democrats seemed to welcome a shutdown.

They calculate that popular anger will focus on the Republicans and the resulting crisis will deepen divisions within the GOP, while providing political cover for the Obama administration

to escalate its attacks on social programs and expand its proposed tax windfalls for big business, in line with Republican demands.

The White House and the Democratic leadership in the Senate rejected a proposal floated Monday by Senate and House Republicans opposed to a shutdown to extend funding for government operations for a week in order to continue negotiations.

At the same time, House Democrats offered to support a funding bill that accepted the Republican spending level of \$986 billion, \$42 billion less than the Democrats' proposal of \$1.028 trillion. In announcing the offer, Democratic Minority Leader Nancy Pelosi said Senate Majority Leader Harry Reid (Democrat from Nevada) had signaled his support for this move.

Although the Republican leadership refused to drop its demand for a delay in the Affordable Care Act (ACA), the Democratic concession prefigured the way in which the government crisis will be used to shift the entire domestic agenda further to the right, increasing cuts in such basic programs as Food Stamps, Medicaid, Medicare and Social Security.

The shutdown will have a punishing impact on millions of workers and poor people. At the same time, the government functions considered essential by the corporate-financial elite will be largely unaffected. The uniformed military, the CIA, the National Security Agency, the Department of Homeland Security and the rest of the agencies involved in US imperialist aggression and subversion abroad and domestic spying and repression at home will be virtually unscathed.

The Federal Reserve will continue to pump \$85 billion a month into the financial markets, inflating stock prices and underwriting corporate profits.

But over 800,000 of the 2 million federal employees will be furloughed without pay as long as the shutdown lasts, including half of the 800,000 civilian Pentagon workers. Hundreds of thousands more federal employees will be compelled to work without pay. These are workers who have already suffered the consequences of a three-year pay freeze imposed by the Obama administration as well as weeks of unpaid furloughs resulting from the automatic "sequester" cuts proposed in 2011 by the White House, which began to take effect last March.

Personal income for federal workers across the country dropped by an average of 0.8 percent in the second quarter of this year.

The most vulnerable sections of society will be particularly hard hit. The federal Women, Infant and Children (WIC) program, which provides food for low-income women and children, will shut down. Veterans Administration disability claims will cease to be processed.

All national parks and museums will close, including the Smithsonian Institution in Washington DC. Entire federal departments—including Commerce, Education, Energy, the Environmental Protection Agency, Housing and Urban Development, Labor, NASA and the National Institutes of Health—will virtually shut down.

The shutdown will have a particularly devastating impact on the Washington DC area, where the federal government accounts for one-third of the local economy. It is estimated the nation's capital will lose \$200 million a day and over 700,000 jobs will be affected. Trash collection and libraries could be impacted.

The Washington region already lost 26,500 net jobs in August as a result of sequester cuts and furloughs.

The funding deadline and shutdown may be the prelude to an even more consequential crisis over the federal debt ceiling. At some point towards the end of October, the federal government will reach its current debt ceiling. House Republicans are threatening once again to tie a bill increasing the debt limit to provisions defunding or delaying “Obamacare,” raising the specter of a national default.

Both the government funding and debt ceiling crises are entirely manufactured. Since 2010, there have been three similar government crises—in 2010 over extending the Bush tax cuts for the wealthy, in 2011 over the debt ceiling, and in 2012 over the so-called “fiscal cliff.” In every case, behind the partisan “gridlock” and recriminations there was a significant element of bipartisan manipulation to drive the austerity agenda further to the right. The result was trillions of dollars in spending cuts.

In 2011, Obama offered the Republicans a “grand bargain” on deficit reduction that included historic attacks on the two major social programs left over from the New Deal and the Great Society—Social Security and Medicare. He proposed cutting cost-of-living increases and introducing means testing to Social Security and raising the eligibility age for Medicare—on top of \$500 billion in Medicare cuts incorporated into his Affordable Care Act.

In recent days Obama has reiterated his eagerness to work out a bipartisan “grand bargain” to slash basic social programs and cut corporate taxes. On Monday, Republican Senator Susan Collins of Maine, an opponent of shutting down the government, called for negotiations on both the budget and the debt ceiling with the aim of reaching such a comprehensive plan to reduce the deficit at the expense of the working class.

There is little doubt that the result of the current crisis will be an extension of the sequester cuts—slated to total \$1.2 trillion over the next eight years—a massive cut in Food Stamps (both houses of Congress have already passed bills cutting the program by billions of dollars) and

unprecedented attacks on the so-called “entitlement” programs—Social Security, Medicare and Medicaid.

Behind the appearance of partisan warfare, there is a broad consensus between the two corporate-controlled parties to impose the full brunt of the crisis of the capitalist system on the working class. There is no “liberal reform” wing of the political establishment. No prominent figures in the Democratic Party are calling for serious measures to address mass unemployment, falling wages, or rising poverty, hunger and homelessness. Both parties are agreed on an historic attack on public education and health care for working people.

The arrogant and brutal attack on the population embodied in the government shutdown underscores the necessity for the working class to break from both parties of big business and build an independent socialist movement to secure the basic social rights of working people.