

After the US Default Showdown: More Bad News

Global Research News Hour Episode 41

By [Michael Welch](#), [Stephen Lendman](#), and [Prof David McNally](#)

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Region: [USA](#)

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Backing away from the Precipice

The American public, and much of the world were treated to a dramatic showdown as elected representatives on Capitol Hill sparred over how money would be spent in the 2014 fiscal year.

At the end of September, the two Chambers of Congress, namely the Democratic-led Senate and the Republican-led House of Representatives failed to agree on legislation that would regulate the appropriation of funding for the 2014 fiscal year which began October 1. As a result, most federal government operations requiring State financing were shut down.

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The Shut-Down continued throughout the first two weeks of October, as Congress and the White House struggled to come up with the necessary legislative formula before October 17 when, we are told, a “debt default” would result should no deal be reached.



A major sticking point was the refusal of the House of Representatives, controlled by the Republican Party, to approve of government funding up until the middle of December, unless President Obama’s Affordable Care Act, otherwise known as ObamaCare, was delayed a year and then gutted of a key provision, namely the

tax on medical devices.

The gridlock was finally broken when President Obama “stared down” the Republicans in the House leaving ObamaCare mostly intact. Appropriations Bill HR 2775 was approved, bringing an end to the government shut down, maintaining government funding until January 15, and lifting the already stratospheric \$16.699 trillion debt ceiling until February 7.

But as some observers, such as broadcast journalist and author Stephen Lendman points out, default or no, ordinary Americans have had to bear the burden of the real fiscal crisis which has been masked by this legislative game of chicken. Lendman also levels a critique of ObamaCare that you won’t hear from House Republicans, and he explains how the crisis engulfing the city of Detroit mirrors America’s future. Stephen Lendman presents his perspective in the first half hour of the Global Research News Hour.

In the second half hour, a York University Professor of Political Science, David McNally, helps expand the discussion by elaborating on the roots of the US fiscal crisis in neo-liberal reforms. He argues that the stand-off and the 2008 economic slump that preceded it, are rooted in the development of policies that have benefited the most privileged, including the banks, at the expense of the working class, who are now being made to pay for the excesses of the ultra-wealthy. McNally also probes the mistakes of the Occupy Movement as he sees it, and articulates how an effective push back may be realized.

David McNally provides his analysis in the final half hour.

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We welcome our new partner [CHLY in Nanaimo, British Columbia](#)! The Global Research News Hour is now broadcast on CHLY 101.7fm in Nanaimo, B.C every Thursday at 1pm PST!

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