

Obama returns to the fraud of “equal sacrifice”

By [Patrick Martin](#)

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The back-to-back nationally televised speeches delivered Monday night by President Barack Obama and House Speaker John Boehner were a political fraud on every level. The so-called debate in Washington on the federal deficit is rigged in advance. All of the participants take as their first principle the imposition of massive cuts on programs that benefit working people.

The Democratic administration and the congressional Republicans are using an orchestrated crisis over the raising of the federal debt ceiling to create the conditions for an unprecedented attack on the living standards and social rights of working people.

The two parties do not represent the American people, but rather the American financial aristocracy, whose wealth and income they defend at the expense of the broad masses. They will see basic social programs on which they rely—Medicare, Medicaid, Social Security, food stamps—devastated by spending cuts.

Obama delivered a cynical speech whose purpose was to appeal to the American people to support spending cuts that will drive millions of them into poverty while leaving the gargantuan wealth of the financial aristocracy untouched. Virtually every sentence in his 15-minute address was a lie.

Obama described the two sides in the debate in terms that underscore the essential unity of the two big business parties. He noted that both sides “agree on the amount of deficit reduction” but disagree on what form that should take.

One approach, he said, was based on painful cuts in federal spending, including basic programs like Medicare, but asked the wealthy and the corporations “to give a little.” This he described as a “balanced approach.” His opponents, Obama continued, “insist on a cuts-only approach,” with “nothing from the wealthy.”

In order to conceal the dimensions of the cuts endorsed by both sides, Obama was careful to give no figures. Both the White House and the congressional Republicans have proposed cuts as high as \$4 trillion over the next ten years, including devastating attacks on Medicare, Medicaid, Social Security, food stamps and federal programs supporting education, transportation, housing, environmental protection and consumer and worker safety and health.

As for tax increases on the rich, Obama has proposed only a few hundred billion dollars to serve as a fig leaf for the anti-working-class character of his overall budget policy. He complained that the Republicans would not provide him with even a token tax increase to disguise the class-war character of his program.

The president warned that the intransigence of the House Republicans threatened to force the US government into default on its obligations after August 2, and he repeatedly urged the Republicans to compromise on legislation to raise the debt ceiling.

The pathetic, cringing character of these appeals was remarkable. US presidents usually commandeer the airwaves for a nationally televised address to announce a major policy action in either domestic or foreign policy. But Obama announced nothing except his own impotence in the face of the ultra-right, ending with a call for people to write letters to Congress urging a compromise.

Obama now complains of the federal government's solvency being held hostage by the most right-wing faction of the House Republicans. But the White House and the congressional Democrats ceded this power to the ultra-right.

The Democrats controlled the House and Senate during the first two years of Obama's presidency and refused to raise taxes on the wealthy. On the contrary, they expanded and extended the bailout of Wall Street begun under the Bush administration while refusing to take any serious action to create jobs for the millions thrown out of work by the economic slump that followed the 2008 Wall Street crash.

In December 2010, while the Democrats still controlled Congress, Obama made a deal with the Republicans to extend the Bush-era tax cuts for the wealthy for another two years and deferred action on the debt ceiling. The president claimed he had no choice but to yield to blackmail by the Republicans, who threatened to block an extension of tax cuts for working people unless the much larger tax cuts for the wealthy were included.

When the newly installed Republican House majority then insisted that the legislation to raise the federal debt ceiling include huge cuts in federal social spending, Obama not only acceded to their demands, he embraced the debt ceiling deadline as an opportunity to push through social spending cuts far deeper than even the Republicans initially proposed. It was Obama, not Boehner, who first put Social Security on the table for budget cuts.

At one point in his Monday night speech Obama urged the Republicans not to "let the American people become collateral damage" in the debt ceiling conflict. This was perhaps the most grotesque distortion in an entire litany of lies. The American people are not accidental or unintended victims, they are the deliberate target of the onslaught of spending cuts being debated by the two parties.

Obama and Boehner represent the US financial aristocracy, which is seeking to make use of the orchestrated crisis over the raising of the federal debt ceiling to create the conditions for an unprecedented attack on the living standards and social rights of working people.

The latest proposal introduced by the House Republicans would condition an increase in the debt ceiling on \$3 trillion in spending cuts over ten years, to be enacted in two stages. An initial \$1.2 trillion would incorporate all the cuts in non-entitlement programs already accepted by the Obama administration in talks led by Vice President Joseph Biden. A further \$1.8 trillion, including cuts in Medicare and Social Security, would be worked out by a bipartisan congressional committee and adopted by next January.

The latest Democratic plan was put forward Monday by Senate Majority Leader Harry Reid. It would raise the debt ceiling immediately, rather than in two stages, and provide for \$2.7

trillion in spending cuts over the next decade, with no tax increases. Reid proposed to put off cuts in Medicare and Social Security until after the 2012 election and instead count as a spending cut the planned decline in military spending due to the drawdown of troops from Iraq and Afghanistan.

Both plans embrace the same \$1.2 trillion in cuts in non-entitlement programs, which will have devastating effects on the social infrastructure, particularly education, the environment and transportation, as their first stage.

The principal difference is that the Republican plan calls for a two-step process that would force a second vote on raising the debt ceiling and slashing social programs, particularly entitlement spending, sometime in 2012, a provision whose transparent purpose is to help mobilize the ultra-right Tea Party elements and depress traditional Democratic Party turnout in the elections.

In his television speech, Obama endorsed the Reid plan, which demonstrates that his rhetoric about taxing the wealthy is just hot air. He now backs a plan that provides zero tax increases on the rich, abandoning even the pretense of “shared sacrifice.”

In the official Washington debate, the needs and interests of working people count for nothing. Obama pitches his campaign for raising the debt ceiling entirely to the financial concerns of Wall Street, while the Republicans respond with an ever more brutal defense of the “right” of the wealthy to keep every penny they have plundered from the working class.

The working class must oppose any and all calls for sacrifice, whether in the name of deficit reduction or to avert a federal government default after August 2. Working people are not responsible for the Wall Street crash, or the economic slump that followed, or the massive federal deficits generated by the slump and the bailout of the banks.

If the capitalist politicians in Washington touch off a financial crisis through their maneuvers, that will only underscore the irresponsibility and recklessness of the American financial aristocracy.

The response to such a crisis must not be “shared sacrifice,” but the launching of a political struggle by the working class to put an end to the profit system, through a break with the Democrats and Republicans and the building of an independent political movement of working people based on a socialist program.

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