

Obama's choice: putting health first

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BARACK Obama's first overseas trip of 2010 was always at risk of colliding with a domestic political agenda. For weeks he has looked in danger of being scuppered not only by obstructionist Republicans, but also by members of his own party unconvinced by his plan to revamp America's healthcare system.

Now, with his trip to Indonesia and Australia postponed, Obama edges nearer to a political triumph that has eluded presidents for decades, one that may provide the tonic that peeps up his ailing presidency.

Floundering in opinion polls and struggling to transform his election message of hope into one of legislative achievement, Obama's determination to put policy ahead of popularity looks increasingly likely to be rewarded with the passage - finally - of a near \$US1 trillion (\$A1.1 trillion) bill that is expected to expand health cover to an additional 30 million Americans while outlawing restrictive insurance company practices.

It would be the first major revamp of America's costly and unwieldy health insurance system in decades, something noted wryly by Obama during a testy televised inquisition this week by Fox News in the Blue Room of the White House.

Expressing confidence that his health agenda would prevail despite Republican cries of foul play over procedure and threats of stonewalling in Congress, America's 44th president reflected: "I've got a whole bunch of portraits of presidents around here, starting with Teddy Roosevelt, who tried to do this and didn't get it done.

"The reason that it needs to be done is not its effect on the presidency. It has to do with how it's going to affect ordinary people who right now are desperately in need of help."

Reports that the President had been button-holing wavering Democrats all week, warning that their vote could make or break his presidency, belied the coolness of his remarks. And even should he win the battle on healthcare, there is little guarantee that Democrats will be able to win the war come November when voters will cast their mid-term ballots for all 435 seats in the House of Representatives and a third of those in the Senate.

Right now, Democrats could reasonably expect a backwash similar to that which swamped Bill Clinton's first term when, in 1994, the party lost 54 seats in the House and eight senators. The ailing US economy, adrift in the "deep recession" as Obama himself is wont to characterise it, assures a torrid time for the sitting majority.

But 2010 holds, potentially, a distinct difference: the electoral losses inflicted on Democrats almost 16 years ago came after Clinton's failure on healthcare changes more modest than those proposed by Obama.

The narrative of Obama's first term was always likely to turn heavily on his signature policy and the 12 months of wrangling and bitter political exchange that has presaged this congressional denouement.

But a win is a win, and should they at last be able to bed down their historic reforms, Democrats will be free in the coming months to focus their energies on job creation in a bid to turn around America's stubbornly high unemployment - as well as their own electoral fortunes.

Figures released yesterday pointed to a slowing in job losses amid signs of a timid economic recovery: new claims for unemployment benefits fell for the third month in a row, which coincided with the President signing into law a \$US17 billion job creation bill that provides tax credits for businesses that employ new workers.

It might seem a drop in the ocean, but it tops up more than \$US780 billion of stimulus measures already working their way through the system, though they have apparently paid little dividend in the polls for Obama and fellow legislators.

Even so, the President's whirlwind trip to the other side of the Pacific was always a stretch in a timetable that is now likely to involve a House vote on healthcare on Sunday afternoon at the earliest, followed by a tense week as Democrats seek to nurse the latest incarnation of "Obamacare" through the Senate.

Drawing on a legislative process known as "reconciliation", Democrats should be able to thwart a Republican filibuster - in which members exhaust parliamentary time by excessive speech-making - to pass the bill by a simple 51-vote majority in the 100-seat chamber.

Insiders reckoned that the Democrats were within a striking distance last night of the votes necessary for securing the bill's passage through the House, the first stage in the process. And a "preliminary analysis" of the bill issued by the Congressional Budget Office, which found that its measures would actually cut America's yawning budget deficit by more than \$US1 trillion over the next 20 years, seemed likely to drag fiscally conservative Democrats across the line.

Still, nerves were jangling: 49 House Democrats represent electorates that voted for Republican John McCain in the presidential race of 2008, and commentators suggested as many as 30 could face voter wrath should they vote for the reforms, which have been opposed widely in opinion polling, including a Fox News poll released yesterday that put opposition to "Obamacare" as high as 55 per cent.

But a key pollster for the administration, Joel Benenson, has disputed similar findings because, he argues, most anti-reform votes in polls include a bloc of about 10 per cent of respondents who oppose the Obama reforms because they feel they do not go far enough. Liberal Democrats in the House complain similarly, including a number who want a public health insurance option something akin to that embodied in Australia's dual-track Medicare system.

"It is no accident that Republican leaders are warning Democrats of dire political consequences if health reform passes," Benenson hit back in a newspaper article. "But there is every reason to believe that for Republicans, the negative consequences will be their own."

Republicans still promise a forceful push-back in the Senate, where they are expected to stall for as long as possible by proposing myriad amendments to the final bill. They have also pledged to repeal "Obamacare" should they win back control of Congress in November, claiming it is "socialist", a one-size-fits-all solution to escalating healthcare costs and full of shady deals.

The pressure on wavering Democrats was increased further by Pennsylvania Democrat Marjorie Margolies, who was elected to Congress in the same year Clinton took the White House - then found herself among those representatives turfed out in 1994.

Writing an open letter to Democrats that was published in *The Washington Post* on Thursday, Margolies described herself as "your worst-case scenario", who had voted according to her conscience - "and it cost me".

But she urged: "There are times in all our careers when we must ask ourselves why we're here. I decided that my desire for public service at that moment was greater than my desire for continued service ... I urge you simply to cast the vote you can be proud of next week, next year and for years to come."

From afar, Australians might wonder at Obama's apparent fall from grace: a president whose election just 16 months ago shattered race barriers and heralded promise on a variety of levels has struggled after inheriting the deepest economic slump in seven decades. Credit for a range of financial regulatory measures has been begrudging.

But Obama continues to hold firm, telling Fox News: "Look, on a whole host of

these measures, whether it's healthcare, whether it was fixing the financial system, whether it's making sure that we passed the Recovery Act, I knew these things might not be popular, but I was absolutely positive that they were the right thing to do and that, over time, we would be vindicated in having made those tough decisions."

Truth is, however, that Democrats have failed to sell their reforms to a frustrated electorate that is shouldering the burden of 20 million unemployed - or underemployed - workers. For several months, Republicans sought to fill the vacuum created by Democrats' apparent ho-hum attitude to politicking hard on healthcare reform.

Misconceptions were allowed to gather currency, and popular support was replaced by populist attack.

But Obama has matched in recent days the frenetic campaigning of his run for the presidency, parachuting into cities to slam health insurance companies for pushing up annual premiums for families and small businesses by as much as 40 and 50 per cent, rhetoric enough to start turning some Obama-sceptics including noted economist Paul Krugman.

"Health reform is back from the dead," he announced recently in *The New York Times*. "Many Democrats have realised that their electoral prospects will be better if they can point to a real accomplishment. Polling on reform - which was never as negative as portrayed - shows signs of improving. And I've been really impressed by the passion and energy of this guy Barack Obama. Where was he last year?"

Yet, there are those who believe that Obama's push for the finishing post, rather than displaying strength, will have damaged his authority. Having failed to win the argument, says Michael Gerson, a research fellow at the Institute of Global Engagement, Obama then rejected the notion of incremental change.

"In retrospect, Obama's greatest achievement during the 2008 campaign was to combine soothing reassurance with a message of transformational change in a single political persona. Governing, however, has required a choice between reassurance and transformation.

"Because Obama has chosen liberal transformation, the political outcomes are limited: he can appear radical in victory or weak in defeat. Given his health reform decisions, it is no longer possible for Obama to be a president both strong and unifying."

In the wash-up, the President had little choice but to delay his trip to Indonesia and Australia. As press secretary Robert Gibbs told reporters in the early spring sunshine that bathed the Rose Garden in the grounds of the White House: "Passage of health insurance reform is of paramount importance and the President is determined to see this battle through."

Postponing the trip would give him the "breathing space", added Gibbs, necessary to finish the job on healthcare.

The cancellation might also lead to the restoration of a second day in Australia which had been part of Obama's original travel plans - truncated to a 24-hour "fly-by" in last week's rescheduling in preference to disrupting his more extensive Indonesian plan. An itinerary that was originally to take in Sydney as well as Canberra might now also be imbued by a sense, even, of royalty, with the delay making possible the presence of Obama's wife, Michelle, and the couple's two young daughters, Malia and Sasha.

But the delay is unlikely to remodel priorities: the President's fuller, three-day program planned for Indonesia reflects the greater importance of his visit there.

"I do think that though Obama has good relations with [Kevin] Rudd, the Australia element of the trip feels kind of tacked on," noted Joshua Kurlantzick, south-east Asia fellow at the Council on Foreign Relations, prior to the trip's announced delay. "The Indonesia part is clearly central, and there has been significant prep work that I know of in the US government on how to upgrade the US relationship with Indonesia - feelings that this is the chance for a new relationship."

It's a view that prevails among Washington-based analysts. Indonesia is the world's most populous Muslim nation, a country that is moving - if imperfectly - down the democratic path, that is making a fist of its fight against extremism, not to mention the President's personal connection. "From the administration's standpoint, the symbolism is pretty powerful," says Cato Institute scholar Doug Bandow.

"All of that moves them to a higher engagement. The Indonesia trip they see as more than just Indonesia. They see it as part of Obama's engagement with the Muslim world, as transcending the boundaries.

"Unfortunately, for Down Under, that's just not the case. It's a great relationship with the Aussies, but, hey, there's nothing to fix. So, [Australia] kind of comes out with the short end of the stick."

But for now, Obama is stuck in Washington, which might not be his heart's first preference. In recent days he has told Pennsylvanians and others of his relief to get out of the beltway and escape the suffocating politicking of the capital.

In essence, he would rather leave his doubters behind, rather than having to keep reminding them that escalating healthcare costs are crippling America and that in the bellwether state of California 24 per cent of people under the age of 65 do not have health insurance cover.

"[There] have been plenty of folks in Washington who've said that the politics [of healthcare are] just too hard," Obama told a supportive crowd at Arcadia University in Ohio. "They've warned us we may not win. They've argued now is not the time for reform. It's going to hurt your poll numbers ... My question to them is: 'When is the right time? [Applause.] If not now, when? If not us, who?' "

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