

With US government shutdown looming, Democrats offer more spending cuts

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President Obama and Democratic leaders have made it clear they are willing to accept even deeper social spending cuts in order to reach an agreement with congressional Republicans to avert a partial shutdown of the federal government Friday.

Obama and Vice President Joseph Biden held a White House meeting with House Speaker John Boehner on Wednesday evening in an effort to reach a deal with the Republican congressional leader to fund the government for the last six months of fiscal year 2011. As of this writing, no deal had been reached.

At a White House meeting Tuesday, Boehner had reneged on a previous agreement to cut \$33 billion and raised the Republicans' demand to at least \$40 billion in spending cuts, while adding a series of right-wing social policies to the budget bill, including restrictions on abortion and environmental regulation.

In remarks during a public appearance in Pennsylvania prior to his Wednesday night meeting with the Republican House leader, Obama said, "After weeks of negotiations, we've now agreed to cut as much spending as the Republicans in Congress originally asked for. So we've agreed to a compromise, but somehow we still don't have a deal, because some folks are trying to inject politics in what should be a simple debate about how to pay our bills."

In a floor speech Wednesday, Senate Majority Leader Harry Reid (Democrat from Nevada) said Republicans refuse to "take yes for an answer." Reid added, "Every time we agree to meet in the middle, they move where the middle is... It's time for my friends in the House of Representatives to stop campaigning and start governing."

A significant section of the Republican Party, particularly newly elected representatives who ran with the backing of ultra-right "Tea Party" forces, are

seeking the shutdown of the federal government. Such an action would idle 800,000 out of the 2 million federal employees, close federal parks and museums, and disrupt civilian services from tax processing and environmental cleanup to mortgage financing and small business loans. An extended shutdown would delay the payment of Social Security, Medicare and Medicaid benefits.

Such a result, the right-wing Republicans hope, would further their aim to destroy whatever remains of the social safety net and eliminate all safety and environmental regulations on big business. This fact is underscored not simply in the current budget negotiations, but above all in the fiscal year 2012 budget plan outlined by House Budget Committee Chairman Paul Ryan Tuesday. His proposal calls for \$6 trillion in cuts over 10 years—100 times the cuts proposed by the House Republicans in the fiscal year 2011 budget—and the dismantling of bedrock entitlement programs such as Medicare and Medicaid. (See: "Republican budget sets stage for expanded assault on US workers").

Among workers and young people throughout the US there is widespread opposition to further cuts in essential services. This was demonstrated in the eruption of working class protests in Wisconsin and protests against budget cuts being carried out by Democratic and Republican state administrations in New York, California and other states.

Far from opposing the cuts, congressional Democrats and the White House present themselves as more "responsible" budget-cutters. Like the Republicans, their starting point is the false claim that the government simply cannot afford to maintain vital social services. This after the government hands over trillions to bail out the banks and provide tax cuts to the

wealthiest Americans, and continues to fund multiple wars.

In an interview on NBC's "Today" show Wednesday morning, New York Senator Charles Schumer, the Democrats' third-ranking member in the upper chamber, said a consensus could be reached with the Republicans on "where the cuts could occur" in the current budget. The Republicans, he said, "have demanded the cuts be on a very small portion of the budget... If we expand it and look at things like agriculture and banking, and even in some of the areas of health care, you could get to the number without cutting into the muscle that we really need."

Asked by NBC's Matt Lauer if he could find another \$5 or \$10 billion in cuts to satisfy the Republicans, Schumer responded, "Absolutely. We can find cuts in other areas. And I believe that Leader Reid has offered those cuts at the conversations last night."

The federal government has been financed through six successive short-term budget extensions, called continuing resolutions, since the 2011 fiscal year began last October 1. The last two incorporated spending cuts at the rate of \$2 billion per week, for a total of \$10 billion in cuts for five weeks' worth of extensions. The current extension expires Friday at midnight.

In a closed-door meeting with Republican House members yesterday, Boehner said he plans to introduce a one-week spending bill Thursday to avert a shutdown this weekend, the *Washington Post* reported. The short-term bill would include \$12 billion in spending cuts and fund the Defense Department for the remainder of fiscal 2011.

Obama and Senate Democratic leaders have said they oppose a short-term spending bill unless a longer-term deal is reached. On Wednesday, however, White House spokesman Jay Carney said the president "would entertain an essentially clean, very short-term CR (continuing resolution) if there were an agreement entrain and all that was necessary was a few more days to essentially file the paperwork and get it through the process on Capitol Hill."

A group of 16 Democratic senators sent a letter Wednesday to Boehner pleading with the Republicans to avoid a government shutdown because, they said, it would undermine the so-called "recovery" and efforts to reduce the budget deficit. "Economists note that a suspension of services would have a measurably

detrimental impact on our economic output," the letter stated, "while business leaders warn about a shutdown's impact on confidence in the US economic recovery. A setback of this nature would prevent the growth we need to tangibly address our long-term fiscal imbalances."



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