

Republican right sets the tone for bipartisan assault on Medicare

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In both the bipartisan talks between congressional leaders and the Obama administration, and in the intra-party debate as the contest for the Republican presidential nomination begins, the right wing of the Republican Party is driving the official political discussion, demanding ever greater cuts in domestic social spending, particularly Medicare and Medicaid, the two main federal health care programs.

The tone has been set by the Republican-controlled House of Representatives, which last month adopted a spending plan drafted by House Budget Committee Chairman Paul Ryan that would phase out Medicare and replace it with private insurance. The transparent purpose of this change is to shift the burden of paying for health care onto the elderly themselves.

House Majority Leader Eric Cantor declared, “We’ve seen over the years a country that has turned much more into an entitlement country for people who don’t need it.” He was not talking, of course, about millionaires receiving gratuitous tax cuts. He was denouncing the “entitlement” of retired workers to have the federal government pay their medical bills.

The budget talks between congressional leaders and the White House are running on multiple tracks. Congress must raise the federal debt ceiling by August 2 or risk a default by the federal government on its obligations, with incalculable consequences for the financial markets. At the same time, talks are ongoing on the federal budget for fiscal year 2012, which will set federal spending for the 12 months beginning October 1.

The debt ceiling talks provide the framework for the Obama administration and the Republicans to plot cuts in social programs beyond those outlined last month by President Obama in his fiscal year 2012 budget proposal, which would slash \$4 trillion in federal spending over 12 years. House and Senate Republicans are using the debt ceiling deadline as leverage to extract major new cuts,

with House Speaker John Boehner suggesting last week that there be a dollar-for-dollar tradeoff—that an increase in the debt ceiling by \$2 trillion be accompanied by cuts in future spending of the same amount.

The talks that began May 5 between the administration and Democrats and Republicans in Congress, with Vice President Joseph Biden representing the Obama White House, have so far identified \$150 billion in spending cuts, according to one of the two Republican negotiators, Senator Jon Kyl of Arizona.

These include \$100 billion in cuts proposed in both the Obama administration budget and the budget adopted by the Republican-controlled House, Kyl said, and an additional \$50 billion in cuts taken from each plan separately. Press reports indicate that the proposed cuts would hit agricultural subsidies, federal employee pensions, and the Medicaid program, which underwrites health care for the poor and disabled.

Last week, Boehner declared that any tax increase was “off the table,” effectively shooting down the efforts of another bipartisan group, the “Gang of Six” in the US Senate. The three Democrats and three Republicans have sought to negotiate a deal that would combine trillions in spending cuts with at least a token tax increase for the wealthy, included to make a pretense of “equal sacrifice.”

The “Gang of Six” process collapsed Tuesday when the most conservative of the three Republican members, Tom Coburn of Oklahoma, pulled out of talks after the three Democrats rejected his demand for an additional \$140 billion in cuts for current recipients of Medicare.

According to press reports, Coburn made the demands Monday during a three-hour meeting. The cuts would have gone beyond even the Ryan plan because they would have affected current Medicare recipients, not just future ones. This meeting followed previous sessions in which Coburn had sought bipartisan agreement on cuts in Social Security benefits as well.

It seems likely that Coburn broke up the talks deliberately because of intense pressure from House Republicans and ultra-right media outlets and lobbyists, all of whom have condemned even the slightest breach in the principle that taxes on the wealthy must never be increased.

According to press reports in Washington, Senate Democrats have acknowledged that they do not expect to pass any tax increases on the wealthy and are proposing them only as a bargaining chip for the budget negotiations. Senate Budget Committee Chairman Kent Conrad proposed a three percent surtax on million-dollar incomes in a draft budget plan circulated last week.

Democratic Senator Claire McCaskill of Missouri told *Politico.com*, “I don’t think it’s realistic that would ever pass; I think we’re trying to find a negotiating point.”

It is not just Republicans who oppose raising taxes on the wealthy. There is significant opposition among Senate Democrats as well. In a demonstration of this, a proposal to reduce the tax breaks for giant oil companies was defeated Tuesday on a 52-48 vote, falling short of the 60-vote threshold required for passage, with three Democrats joining most Republicans in voting against it.

Meanwhile, a conflict erupted within the Republican Party after presidential candidate Newt Gingrich, the former speaker of the House of Representatives, criticized the Ryan plan for abolishing Medicare during an appearance on “Meet the Press” Sunday. Gingrich compared the Ryan plan to Obama’s health care program enacted last year, saying: “I don’t think right-wing social engineering is any more desirable than left-wing social engineering. I don’t think imposing radical change from the right or the left is a very good way for a free society to operate.”

Gingrich’s effort to distance himself from the Ryan plan produced a political backlash within the Republican Party that called into question the viability of his presidential campaign only days after he formally declared his candidacy.

Ryan denounced the criticism in a speech to the Economic Club of Chicago Monday, and Gingrich was attacked by Rush Limbaugh and a myriad of other right-wing talk radio hosts, as well as by all of the other announced Republican presidential candidates. Less than 48 hours after his appearance on “Meet the Press,” the former speaker abjectly apologized to Ryan and declared his full support for the destruction of Medicare.

Gingrich himself is an extremely reactionary figure who spearheaded the impeachment of President Bill Clinton in

1998 and engineered multiple federal government shutdowns in 1995-96 in an effort to force through major cuts in Medicare. It is a remarkable demonstration of the shift to the right in US bourgeois politics that Gingrich, once the personification of right-wing intransigence, is now cast as too “moderate” for the Republican Party.

Similar ultra-right criticism has been directed against another top Republican presidential hopeful, Mitt Romney, who backed a health care reform program as governor of Massachusetts that provided much of the framework for the Obama health care plan, now demonized by the Tea Party wing of the Republicans.

Romney was compelled to devote the first major speech of his own presidential campaign, last Thursday in Ann Arbor, Michigan, to a labored explanation of the supposed differences between his Massachusetts plan—which included an individual mandate and a statewide health insurance exchange—and the Obama plan.

The dominance of the ultra-right in both congressional and presidential politics in no way reflects actual popular support. Poll after poll demonstrates the opposite: more than two-thirds of voters oppose cuts in Medicare, Medicaid and Social Security and believe that the best way to cut the federal deficit is to sharply increase taxes on the rich.

At the same time, a new report from the Congressional Budget Office (CBO) refutes the claims that excessive spending on social programs is the cause of the federal deficit. The CBO found three main contributors to the \$12 trillion increase in the deficit over the past decade: \$2.8 trillion from the Bush tax cuts for the wealthy; \$2.9 trillion in new discretionary spending, mainly on the wars in Iraq and Afghanistan and on homeland security; and a \$3.4 trillion drop in revenues because of the economic slump triggered by the 2008 financial collapse.



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