

# Democrats, Republicans plot post-election assault on Medicare, Social Security

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Discussions are underway in the US Senate to forge a plan for sweeping cuts to social programs in the aftermath of the November 6 election. The *New York Times* reported Tuesday on moves by a bipartisan group of senators to come to an agreement so as to avert automatic spending cuts mandated in last year's deal to raise the debt ceiling. That agreement was signed by President Obama on August 2, 2011.

Under the debt ceiling deal, Congress' failure in 2011 to produce a deficit reduction bill with at least \$1.2 trillion in cuts triggered some \$1 trillion in across-the-board spending cuts or "sequestrations"—including to social programs such as Medicare and to the Defense Department—to begin in January 2013 and extend over 10 years.

These automatic cuts would coincide with the expiration in the new year of the Bush-era tax cuts as well as payroll tax reductions and federally funded extended unemployment benefits. The Obama White House and congressional Republicans agreed in December 2010 to extend the Bush tax cuts, including for the richest Americans, until the end of this year, while reducing the payroll tax and extending jobless benefits for the same period.

The combination of these expirations and the mandated deficit reduction measures has been called a "fiscal cliff" that threatens to plunge the economy into a deeper slump.

The "fiscal cliff" is being seized upon by the White House and both big business parties as a pretext to implement austerity measures of historic proportions. Cuts targeting Medicare and Medicaid, Social Security, public education, food stamps and other vital social programs will mean impoverishment and suffering for millions of working class families.

There is a conspiracy of silence between the

Democrats and Republicans and the presidential campaigns of Barack Obama and Mitt Romney, aided by the media, to exclude these bipartisan budget-cutting plans from the election campaign. The American people are to be given no opportunity when they go to the polls to express their will in relation to measures that will impact them severely. Instead, the election hype is being used as a smokescreen behind which the ruling class plots an intensification of its anti-working class agenda.

When Obama and Romney meet tonight for the first presidential debate, there will be hollow pledges from both candidates about standing up for the "middle class," while nothing concrete is said about the trillions of dollars of cuts being prepared behind the scenes.

According to the *Times*, a bipartisan group of senators is joining forces in a three-step process to head off the "fiscal cliff" of tax increases and sequestrations. They will first try to reach agreement on a deficit reduction target—in the area of \$4 trillion over a decade—to be attained through an overhaul of the tax code and cuts to Medicare, Social Security and other federal programs. Congressional committees would be tasked with drawing up the details for implementing the cuts.

If this approach fails, the senators would consider a plan along the lines of the National Commission on Fiscal Responsibility and Reform commissioned by Obama in 2010. The so-called Bowles-Simpson commission proposed slashing \$5.4 trillion from the deficit over 10 years, cutting discretionary domestic and military spending as a percentage of gross domestic product to only 4.8 percent by 2022, and raising taxes, mainly on middle-income families, by abolishing tax breaks such as the mortgage interest deduction. The plan also called for reductions in income tax rates for

corporations and the wealthy.

In reality, the December 31 deadline is not set in stone. Congress could put off implementing the sequestrations and tax increases by simply passing legislation to over-ride the \$1 trillion in automatic cuts agreed to in 2011. President Obama has stated he would oppose such a move, although the *Times* indicates he would go along with canceling the automatic cutbacks if Congress agreed to deficit reduction measures in the area of \$4 trillion.

In an effort to court voters, Obama and Democratic leaders have said they will not accept any deal that extends the Bush-era tax cuts for the wealthy, even for six months. At the same time, Obama has proposed an overhaul of corporate taxes that would lower tax rates for companies from the present 35 percent to 28 percent, and down to 25 percent for US manufacturers.

In another election ploy, the Obama administration has persuaded Lockheed Martin and other defense contractors to refrain from issuing layoff notices, as required by law, for job cuts that could result from sequestrations, heading off an embarrassment to his presidential bid in the final weeks of the campaign.

Obama told the contractors in a memo last week that the Worker Adjustment and Retraining Notification Act (WARN), which requires large contractors to give states 60 days' notice for plant closings or layoffs, would not apply to job losses due to sequestration because they would constitute an "unforeseeable business circumstance."

The 2012 elections are a travesty of genuine democracy, with the people given the "choice" of voting for one or another party financed by big business and committed to serving its interests at the expense of the vast majority of the population. Behind the spectacle of political mudslinging, mind-numbing attack ads and empty campaign rhetoric, class war is being prepared at home and military war is being prepared internationally, with Iran looming as the first target.

The Socialist Equality Party is running in the 2012 elections to alert workers and young people to the dangers they face from the two parties that defend the interests of corporate America. We say the only way to defend jobs, living standards and democratic rights, and to put a stop to war, is to advance the independent interests of the working class through a socialist

program.

We urge all workers and youth to consider the program of the SEP, actively support our candidates—Jerry White for president and Phyllis Scherrer for vice president—and make the decision to join the Socialist Equality Party.



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Socialist Equality Party visit:

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