

Obama, Republicans conspire to attack Medicare, Social Security

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A week after the start of the \$1.2 trillion budget cut known as the “sequester,” the Obama administration and top Republicans are seeking a deal to sharply cut Medicare and Social Security.

President Barack Obama has initiated what commentators called a “charm offensive,” aimed at an entitlement-cutting “Grand Bargain” with the Republicans. On Wednesday, he invited twelve Republican Senators to dinner at the Jefferson Hotel in downtown Washington, picking up the tab from his personal funds. On Thursday, he had lunch with Rep. Paul Ryan, the Republican House budget chief and former vice-presidential candidate, who is closely associated with the drive to dismantle Medicare.

Obama has already proposed cutting \$400 billion from Medicare over the next ten years, as well as over \$100 billion from Social Security by implementing a new way of calculating the cost of living. Ryan is proposing to go even further, introducing a voucher system for Medicare that would essentially end its status as a government program and turn it into a subsidy for private insurance companies.

“The president was very pleased with the dinner,” said White House spokesman Jay Carney. “He thought it was constructive and pleasant.”

The Republicans echoed the friendly tone: “I think it’s a sign, a hopeful sign, and I’m hopeful that something will come out of it,” said Republican House Speaker John Boehner.

The *Washington Post* reported: “There appears to be a growing desire among leaders at both ends of Pennsylvania Avenue to reach an accord that has eluded them. At the dinner, Obama and the Republicans spoke about the opportunity to work together through the budget and debt ceiling debates over the next four to five months, according to

attendees.”

The Democratic Party chairman of the House budget committee, Chris Van Hollen, said of the meeting with Ryan, “The president has been very clear since the beginning he’s prepared to [reach an agreement with Republicans] for the good of the country, but he wants to make sure Republicans meet him half way.”

Next week, Obama plans to visit the Capitol to meet with the congressional Republican and Democratic caucuses.

The meetings coincided with a vote in the House of Representatives to approve appropriations for the federal government for another six months, moving to avert a potential shutdown of the federal government, which is set to run out of money on March 27.

The House vote, in which a significant number of Democrats voted with the Republicans, is an indication that neither party wants to turn the March 27 deadline into a political battle. The Democrats, in particular, have repeatedly stated that they do not intend to use the threat of a government shutdown to force the Republicans to overturn the social spending cuts imposed by the sequester.

The spending bill passed by the House contains provisions significantly blunting the impact of the sequester cuts on military spending, allowing much greater flexibility in allocating the cuts.

Admiral Jonathan Greenert, the Navy’s top uniformed officer, said that compared to the original sequester provisions, the changes implemented in the bill are “almost night and day.” As a result of the House’s bill, for instance, the Admiral said the Navy could proceed with the construction of two new carriers that it had previously threatened to halt.

The Senate is considering similar legislation, which would also allow for the moving of funds between

projects in other, non-military departments.

In fact, the military cutbacks in the sequestration were almost entirely for show. The “across-the-board” military cuts came from projected figures that included scheduled increases, leaving real spending largely unchanged from last year. As *The Hill* noted, the bill passed in the House “includes \$518 billion for defense, \$2 billion more than President Obama requested this year but the same as in 2012.”

The sequester’s social spending cuts, meanwhile, are in line with the proposals laid out by Obama early on in his presidency, which called for cutting discretionary spending below the levels that prevailed during the Bush administration.

The talks between Obama and the Republicans lay the groundwork for a new stage in the offensive against the social rights of the working class. Despite the massive cutbacks that have already been implemented, Wall Street has been clamoring for “entitlement reform,” and numerous analysts have publicly stated that the credit rating agencies will downgrade the United States’ debt again this year unless these programs are cut back sharply.



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