

Obama renews calls for slashing Medicare, Social Security

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President Barack Obama continued his closed-door meetings with congressional leaders Wednesday and Thursday, seeking to work out a budget deal that will slash more than a trillion dollars from social spending over a ten-year period.

In these meetings, Obama made clear that he is seeking to make deep cuts to Medicare, Medicaid and Social Security, the core social programs that date from the 1930s and 1960s.

On Wednesday afternoon, Obama met with the House Republican Conference and on Thursday afternoon he met with House Democrats, followed by a meeting with Senate Republicans.

In a spending proposal released last month in connection with the debate over the “sequester” budget cuts, Obama called for \$400 billion in cuts to the government health care programs Medicare and Medicaid, as well as the implementation of a new measure of consumer prices that would slash Social Security benefits by \$130 billion.

But in his talks with lawmakers this week, Obama appeared to go even further, saying he would be amenable to implementing means-testing for Medicare. This would end Medicare as a universal social entitlement, turning it essentially into an anti-poverty program, a major step toward its eventual elimination.

Facing a token show of opposition within his party to slashing entitlements, Obama reaffirmed his determination to make the deeply unpopular cuts. According to Bloomberg News, “Several Democrats, including Senator Tom Harkin ... said Obama rebuffed their demands for an assurance that Medicare and Social Security benefits wouldn’t be touched in any ‘grand bargain.’” The news service noted that Obama “insisted that Democrats should be open to changes in entitlement programs.”

In between his meetings with members of Congress, Obama found time to give a speech before 75 major campaign donors, including Google Chairman Eric Schmidt, who paid \$50,000 apiece to take part in a fundraiser by Organizing for Action, a non-profit committee supporting Obama's legislative agenda.

On Thursday, the Senate Budget Committee approved a budget proposal drafted by Democrat Patty Murray, the committee’s chairwoman. The budget proposal calls for \$1.85 trillion in deficit reduction over the next ten years. The proposal would include \$975 billion in tax increases and another \$975 billion in spending reductions. The Democratic budget includes \$275 billion in cuts to Medicare, Medicaid and other social programs.

The proposal was the Democratic counterpart to the budget proposal released by Republican Paul Ryan Tuesday, which would slash \$4.6 trillion in government spending and purportedly eliminate the federal budget deficit within a decade.

The new round of austerity proposals comes only two weeks after the onset of \$1.2 trillion in “sequester” budget cuts, also phased in over a ten-year period, which will slash payments to the long-term unemployed, lay off tens of thousands of education workers, and kick hundreds of thousands of families off of housing assistance.

House Minority Leader Nancy Pelosi, a representative of the nominally liberal wing of the Democratic Party, echoed Obama’s insistence on slashing entitlements Thursday.

“If we can demonstrate that it doesn’t hurt the poor and the very elderly, then let’s take a look at it,” Pelosi told the press at the Capitol. “Because compared to what? Compared to Republicans saying Medicare should wither on the vine? Social Security has no place

in a free society?”

She added, “If the goal is to strengthen Social Security, if the goal is to strengthen Medicare, if the goal is to recognize the importance of Medicaid and how we make all of these initiatives fiscally sound ... then we’re ready to have that debate.”

Pelosi’s arguments are entirely fraudulent. The claim that cutting social entitlements will “strengthen” them, once the stock-in-trade of the far right of the Republican Party, is nothing but a sophistical justification for the dismantling of these programs. The reality is that Pelosi, like the rest of the Democratic Party, supports the evisceration of what remains of the social reforms of the previous century.

The Democrats are seeking to present their agreement to slash entitlements as a response to Republican “intransigence” and a concession to the Republicans in exchange for adopting measures that would raise tax revenues from the rich. In fact, whatever revenue increases may be passed will have a negligible impact on the wealthy and will be more than offset by cuts to corporate taxes, which both parties say they support.



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