US budget and debt talks to focus on cutting Social Security, Medicare

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Spokesmen for the Obama administration and congressional Republicans indicated Sunday they were preparing to shift the focus of the ongoing Washington budget and debt discussions to the major entitlement programs, Social Security and Medicare.

Both the Democrats and the Republicans are using the partial shutdown of federal government operations and the looming October 17 deadline for raising the federal debt ceiling, to create a crisis atmosphere to justify cuts that are overwhelmingly opposed by the American people.

The Republican-controlled House of Representatives precipitated the federal shutdown by insisting that any resolution to continue funding the federal government after the beginning of the fiscal year October 1 had to be linked to defunding Obama's healthcare legislation, the Affordable Care Act.

House Speaker John Boehner signaled a turn away from that stand in the course of an interview Sunday on the ABC News program "This Week," when he told interviewer George Stephanopoulos that the federal shutdown and debt ceiling issues were now linked, and that he would insist on cuts in entitlement programs as the price of authorizing any new federal borrowing.

He made clear that, despite the right-wing populist demagogy of the Tea Party, the real enemy of the Republicans is not Obama, but American working people as a whole, and particularly the tens of millions of retired workers who rely on Social Security for their income and Medicare for their health care.

"Let's look at what's driving the problem," he said. "10,000 baby-boomers like me retiring, every single day. 70,000 this week. 3.5 million this year. And it's not like there's money in Social Security or Medicare. The governments, over the last 30 years, have spent it all."

"We know these programs are important to tens of millions of Americans," he continued. "But if we don't address the underlying problems, they are not sustainable."

In the Orwellian language favored in Washington, making programs "sustainable" means, not providing the funds required to pay guaranteed benefits, but slashing benefits, cutting eligibility, raising the retirement age and effectively destroying Social Security and Medicare in the name of "saving" them.

At the same time, Boehner flatly rejected even a penny in additional taxation on the super-rich, although the accumulation of wealth in the hands of the billionaires has reached unprecedented levels. "Very simple," he declared. "We're not raising taxes."

Treasury Secretary Jack Lew gave the Obama administration view on the budget and debt conflict, appearing on five Sunday television programs. He emphasized Obama's willingness to make concessions on entitlement spending, once Congress has passed a continuing resolution to fund the government, and lifted the debt ceiling to allow normal borrowing by the Treasury.

White House officials and congressional Democrats have repeatedly emphasized that they had accepted the spending level set by the Republican-controlled House, which is $70 billion below the level proposed by the Senate, but were not willing to scrap Obamacare, the healthcare program devised in collaboration with the drug and insurance companies to cut costs for corporate America and the government.

In the course of his interview on NBC's "Meet the Press," Lew said, "the president has been and remains prepared to negotiate on fiscal policy. He has spent much of the last three years trying to find the sensible middle ground. He's made offer after offer, negotiation

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after negotiation."

Lew added, "We are happy to negotiate on reasonable policies with entitlement reform and tax reform that closes loopholes. That's something that we would like to do."

In the coded language of the corporate-backed politicians, "entitlement reform" means cuts in benefits for Medicare and Social Security recipients, while "tax reform that closes loopholes" means no increase in tax rates for the super-rich, but rather a shell game in which rates are actually lowered for the wealthy, with the revenue supposedly preserved by closing "loopholes." In practice, this means a new round of tax cuts for the billionaires and the corporations they control.

Despite the public show of intransigent opposition and the increasingly vituperative attacks on each other, the Democrats and Republicans share a common class agenda: imposing the burden of the financial bankruptcy of American capitalism on the backs of working people.

Neither party proposes even the slightest incursion into the wealth of the financial aristocracy. Both of them blame the dismal fiscal projections for the federal budget on "demographic" factors. In other words, working people are living too long, a "problem" which can only be resolved by raising the retirement age or, as a consequence of cuts in healthcare and living standards more generally, engineering a reduction in life expectancy.

The stage-managed character of the budget crisis was demonstrated by the decision by Defense Secretary Chuck Hagel to recall most civilian Pentagon workers so that the vast US military-intelligence apparatus will resume operations at nearly pre-shutdown levels.

Hagel cited the bill passed by Congress and signed by Obama September 30, authorizing continuation of paychecks to uniformed military personnel.

He said that Pentagon lawyers had determined that the law allows him to end furloughs for everyone who contributes to the "morale, well-being, capabilities and readiness of service members."

Some 350,000 of the 400,000 furloughed civilian employees of the Pentagon have been called back to work, including those engaged in commissary, payroll, administration, health care, supply chain, training, weapons production and intelligence functions.

Congressional Republicans and Democrats both supported Hagel's action, and Acting Secretary of Homeland Security Rand Beers followed suit, saying he would begin calling back civilian employees of the Coast Guard and other DHS agencies under the same interpretation of the law.

The result is that the federal "shutdown" hardly impacts the military, police and domestic spying functions of the government at all, but has a devastating effect on social services and on those agencies which regulate business operations, from the financial markets to slaughterhouses.

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