

Republican budget plan slashes Medicare, Medicaid, food stamps

Patrick Martin
28 March 2015

The Republican-controlled House of Representatives and US Senate went on record this week approving budget resolutions that would eviscerate basic social programs on which tens of millions of elderly, poor and sick Americans depend.

The actions came Wednesday in the House and early Friday morning in the Senate, in each case by nearly party-line votes. The House voted 228-199, with 17 Republicans and all Democrats voting against the budget. The Senate voted 52-46, with two Republican presidential hopefuls, Rand Paul and Ted Cruz, breaking ranks because they wanted even deeper cuts.

The budget resolutions now go to a conference committee to negotiate the comparatively minor differences between the House and Senate, with a final vote required by April 15 to meet the provisions of the 1974 Budget Act. The resolution is not subject to a presidential veto, because it does not actually have the force of law, but sets down certain procedural limits on further congressional action on spending legislation.

The main goal of House Speaker John Boehner and Senate Majority Leader Mitch McConnell is to invoke a procedure known as “reconciliation,” which, once a budget resolution passes Congress, bars a Senate filibuster on three subsequent “reconciliation” bills, one on taxes, one on spending, and one on the federal debt ceiling.

The Republican leadership plans to use reconciliation as the vehicle for an outright repeal of the entire Affordable Care Act, popularly known as Obamacare. Senate Democrats would not be able to filibuster the bill, but since Obama would then veto it, the repeal would have no practical effect. It is no more than a political gesture to the ultra-right Tea Party elements in the Republican Party.

In addition to reconciliation, the House version of the

budget resolution gives specific mandates to the 13 appropriations subcommittees on how much they must cut from the programs under their jurisdiction, in appropriations bills due by mid-July for the fiscal year beginning October 1. The Senate version contains spending mandates for only two committees, and it is not clear how the conference committee will resolve the difference.

In either version, the cuts proposed are far beyond anything ever enacted by an American government: \$5.5 trillion over 10 years in the House budget, \$5.1 trillion over 10 years in the Senate budget. Pell grants, job training and housing programs are all targeted. But the biggest cuts come in so-called entitlement programs, including Medicare, Medicaid and food stamps.

The House budget calls for the privatization of Medicare for anyone younger than 55, while the Senate version would slash the program by \$400 billion—the same cut proposed in Obama’s own budget.

Both the House and Senate would transform Medicaid from an entitlement program, expanding automatically with social need, to a fixed block grant to the states. The House version would slash Medicaid by \$900 billion over 10 years, by allowing states to slash eligibility for benefits. The Senate version would cut the program by “only” \$400 billion, maintaining present eligibility requirements.

The House budget would also turn the food stamp program into a block grant, cutting an estimated \$125 billion over 10 years from food aid to the poor. The Senate budget would impose cuts of similar dimensions without prescribing the specific form of the program.

Both budgets call for the total abolition of Obamacare, while retaining the cuts in Medicare spending and tax increases enacted to finance the

program.

The Senate version includes several amendments that, while lacking the force of law, indicate the aspirations of the majority. By a 54-46 vote, the Senate voted to repeal entirely the estate tax, which has already been reduced to the point that it is levied only on estates worth more than \$5.4 million. More than half of all senators are multi-millionaires, making them prime beneficiaries of this tax break.

The only major dispute among House and Senate Republicans was over how to finance the huge increase in military spending which both houses (and both parties) avidly support. The Obama administration has proposed to put an end to the caps on spending provided under the “sequestration” procedure enacted in 2011 as part of a bipartisan deal with the Republicans.

This would make possible a \$38 billion increase in military spending, together with a proposed \$51 billion in Overseas Contingency Operations, a category created under the Bush administration to provide open-ended funding of the wars in Afghanistan and Iraq.

Congressional Republicans fought bitterly over whether to maintain the sequester caps or lift them, with the debate driven by concerns that without the caps, there would be greater pressure to allow increases in domestic social spending. Instead, the House Republican leadership settled on a procedure that keeps the cap on social spending, and effectively lifts the cap on military spending by transferring the entire increase proposed by the White House into the Overseas Contingency Operations, which one senator described as a Pentagon “slush fund.”

It is noteworthy that both parties agree on the level of military spending. The House Republicans ended up approving \$2 billion more for the military than requested by the Pentagon, only in order to show that they were even more devoted to American militarism than the White House.

Republican Senator Lindsey Graham remarked cynically, “At the end of the day, the fight in the House—this is all about spending as much money on defense as Obama... That’s what the \$2 billion is about—getting above Obama by a billion. It’s sort of a silly exercise.”

Obama has vowed to veto any budget that does not formally lift the cap on defense spending, and defense

secretary Ashton Carter reiterated the Pentagon’s opposition to any continuation of the sequester, in a speech Thursday.



To contact the WSWWS and the Socialist Equality Party visit:

wsws.org/contact