

Obama urges bipartisan unity to impose austerity measures

By Kate Randall
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President Obama cited the bipartisan congressional support for the US operation that killed Osama bin Laden Sunday as the model for similar cooperation on austerity measures aimed at slashing public spending.

His remarks came at a previously scheduled White House dinner on Monday, attended by Democratic and Republican leaders of the House and Senate, chairmen and ranking members of both chambers' committees, and cabinet members.

Obama claimed that the killing of the Al Qaeda leader has provoked "the same sense of unity that prevailed on 9/11," and that it was his "fervent hope that we can harness some of that unity and some of that pride to confront the many challenges that we still face." One of the challenges alluded to by the president is the current wrangling over the \$1.6 trillion federal budget deficit, and the debate over lifting the federal debt ceiling.

While differences have emerged on whether to raise the debt ceiling and by how much, and on details of what should be cut, there is overriding agreement between Democrats, Republicans and the Obama administration that working people must shoulder the burden through cuts to Medicare, Medicaid and other social programs.

Obama praised the assembled Congressional leaders and administration personnel for backing the US military and counter-terrorism apparatus that made the raid in Pakistan possible. "Without your support, they could not do what they do," he said. Indeed, bipartisan congressional support has enabled the wars of aggression and crimes currently being carried out in the name of the American people.

In the background of this show of unity are a series of maneuvers on the part of the White House and politicians of both big business parties to determine how much should be axed from federal entitlement programs and the mechanisms for implementing any proposed cuts.

At the center of the budget debate is the federal debt

ceiling, currently set at \$14.3 trillion, which will officially be breached on May 16 if no action is taken. The Obama administration has called for lifting the ceiling without specifically tying such action to spending cuts, while Congressional Republicans and some Democrats have demanded cuts to Medicare, Medicaid and Social Security as the price for agreeing to raise it.

In a letter to Congress on Monday, Treasury Secretary Timothy Geithner said that the government now has until August 2 to raise the legal limit on federal borrowing as a result of emergency measures the treasury department is taking, effective this Friday. These include suspension of a program that aids state and local governments in managing their debts and borrowing money from a federal workers' pension fund.

The major Wall Street banks and other corporate interests have endorsed Geithner's plea to raise the debt ceiling, in large measure because failure to do so could destabilize world credit markets, both for US government bonds and other dollar-denominated securities.

The Business Roundtable, which has long advocated deficit reduction and deep cuts to federal spending, called on Congress to act, issuing a statement Monday: "Business Roundtable believes a debt limit increase is simply unavoidable and necessary to protect the long-term health of our economy and ensure America's international credibility."

Obama is committed to cutting the deficit and has outlined a plan to cut \$4 trillion over 12 years through a combination of spending cuts and modest tax increases. A Republican plan, authored by House Budget Committee Chairman Paul Ryan, would cut the deficit by slashing more than \$6 trillion over 10 years, in large part through privatizing Medicare and converting federal funding for Medicaid into block grants for the states.

Vice President Joe Biden will convene a meeting of White House and congressional leaders Thursday in an

effort to reach an agreement on the debt ceiling, which most likely will include discussion on tying any agreement to a mechanism to force cuts to Medicare and Medicaid. Obama, House Speaker John Boehner (Rep., Ohio) and Senate Majority Leader Harry Reid (Dem., Nevada) are all sending subordinates to the Biden talks, leading congressmen from both parties to deride them as unserious.

Also at work are the “Gang of Six”—a group of six Senators, three Republican, three Democrat—led by Democrat Mark Warner (Virginia) and Republican Saxby Chambliss (Georgia). The group includes four members of a bipartisan fiscal-reform panel commissioned by Obama and is believed to be modeling its proposals on a report delivered by this commission last December.

The National Commission on Fiscal Responsibility and Reform proposed a \$4 trillion deficit reduction over 10 years through deep cuts in spending, including changes to Social Security that would reduce future benefits by raising the retirement age for full benefits from 67 to 69 by 2075.

The plan fell short of winning the supermajority needed to send a proposal to Congress, and the Obama administration did not incorporate its recommendations into its proposed budget for fiscal year 2012. There are indications now, however, that the talks being held by Biden will take up some of the commission’s proposals.

Another bipartisan Senate proposal, authored by Bob Corker (Rep., Tenn.) and Claire McCaskill (Dem., Missouri), would limit federal spending over time to 20.6 percent of gross domestic product. Analyzing the group’s plan, the Center on Budget and Policy Priorities determined that “it would inevitably force enormous cuts in Medicare, Medicaid, and possibly Social Security.”

While leading Democrats have come out against the Corker-McCaskill proposal, most agree on major cuts in spending. Senate Majority Leader Reid commented to reporters after meeting with White House officials last week, “My personal conviction is that we have to be able to prove that we’re willing to do something about the debt, that we’re willing to do something with the deficits.”

Both the Obama administration and Congressional leaders seek to portray their drive to curb the deficit as a response to a groundswell of popular support for slashing social spending. Commenting on Geithner’s warning against delay on increasing the debt ceiling, a spokesman for House Speaker Boehner said, “This does not change the fact that the American people won’t tolerate an

increase in the debt limit without meaningful cuts and spending reforms.”

In fact, there is growing popular opposition to the plans to cut spending, particularly to Medicare, Medicaid and Social Security. Late Monday, Capitol Police arrested 89 disability rights protesters for occupying a federal office building in a protest against the Medicaid plan proposed by Paul Ryan.

Members of the ADAPT group say the plan would prevent people with disabilities from living independently, forcing them into nursing homes. Some protesters held signs reading, “Block grants kill,” a reference to the proposal to transform Medicaid funding into state block grants.

Over the Easter Week recess, thousands of people turned out at town hall meetings held by Congressional Republicans in their home districts, including in New Hampshire, New York, Pennsylvania, Illinois, Wisconsin, North Carolina, California and Florida.

Ryan faced hostile questions at multiple meetings across his southeastern Wisconsin district. There were vocal demands to tax the rich and cut war spending, and Ryan was booed when he claimed, “We do tax the top.” In the industrial town of Kenosha, the site of a huge American Motors plant, now closed, Ryan was escorted by police out the back door to avoid protesters.

The most volatile confrontations were in Florida, home to the largest population of retired and elderly people, and the highest proportion of Medicare users.

In Ft. Lauderdale, freshman Republican Congressman Allen West, a former military officer disciplined for prisoner abuse in Afghanistan, got into a screaming match with an opponent, and police intervened to forcibly evict two hecklers.

In the Florida panhandle, freshman Republican Congressman Steve Southerland, a Tea Party supporter, not only had uniformed and plainclothes police at his first town hall meeting, but his staff obtained permits and were carrying concealed weapons.

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