



Putting The Pedal To The Metal

As The Thelma And Louise Democrats Are In Disarray About Entitlement Reform, The Fiscal Cliff Comes In To View

FLASHBACK: Obama Said "If We Want To Get Serious About Fiscal Discipline ... We Will Also Have To Get Serious About Entitlement Reform." OBAMA: "Along with defense and interest on the national debt, the biggest cost drivers in our budget are entitlement programs like Medicare, Medicaid, and Social Security -- all of which get more and more expensive every year. So if we want to get serious about fiscal discipline, and I do, then we're going to not only have to trim waste out of our discretionary budget -- which we've already begun -- we will also have to get serious about entitlement reform." (President Barack Obama, [Remarks at Georgetown University](#), Washington, D.C., 4/14/09)

DEMOCRATS REFUSING TO TOUCH ENTITLEMENTS

"Democrats, Meanwhile, Are Sounding More And More Maximalist In Resisting Spending Cuts." "Democrats, meanwhile, are sounding more and more maximalist in resisting spending cuts. Many insist that Social Security, Medicare, Medicaid and education — pretty much everything except the Pentagon — are untouchable. Senate Majority Whip Richard J. Durbin (Ill.), who had been one of the more reasonable Democratic leaders, said Tuesday that, while he favors reform of entitlement programs, it shouldn't be part of the negotiations on the fiscal cliff." (Editorial, "Mr. Obama's Time To Lead On Entitlements," [The Washington Post](#), 11/27/12)

- **Some Democrats Have Been "Emboldened By The Recent Election Results To Fight Against Benefit Cuts."** "But senators like Baucus and Conrad increasingly are being drowned out by other Democrats emboldened by the recent election results to fight against benefit cuts." (Stephen Ohlemacher, "Senate Dems Divided Over Cuts To Benefit Programs," [The Associated Press](#), 11/28/12)

Democrats – Including The White House And 28 Senators -Have Already Dismissed Including Social Security As Part Of A Deal. "Democrats already have tried to take Social Security off the table. Carney, the White House spokesman, said Monday that changes to the massive retirement and disability program should be done separately from any plan to reduce the deficit. That's the same position taken by 28 Democratic senators and independent Sen. Bernie Sanders of Vermont in a letter to fellow senators in September. 'We will oppose including Social Security cuts for future or current beneficiaries in any deficit-reduction package,' said the letter, which was signed by many top Democrats, including Majority Leader Harry Reid of Nevada." (Stephen Ohlemacher, "Senate Dems Divided Over Cuts To Benefit Programs," [The Associated Press](#), 11/28/12)

Sen. Tom Harkin (D-IA) Has Said “The Election Spoke Very Strongly About The Fact That The Vast Majority Of American People Don’t Want To Cut These Programs.” “Sen. Tom Harkin, D-Iowa, said he is willing to find savings in Medicare and Medicaid by making them more efficient. But, he said, he won’t support benefit cuts. ‘I think the election spoke very strongly about the fact that the vast majority of American people don’t want to cut these programs,’ Harkin said.”

Sen. Dick Durbin (D-IL) Said He Doesn’t Think There Should Be A Rush To Overhaul Entitlement Programs As Part Of A Deal To Avert The Looming Fiscal Cliff. “Sen. Dick Durbin, the No. 2 Democrat in the Senate leadership ranks, said he doesn’t think there should be a rush to overhaul entitlement programs in connection with the move to avert the fiscal cliff in the remaining weeks of the current session.” (Stephen Ohlemacher, “Senate Dems Divided Over Cuts To Benefit Programs,” [The Associated Press](#), 11/28/12)

Senate Majority Leader Harry Reid (D-NV) Said Earlier This Month He Is “Not Going To Be Part Of Having Social Security As Part Of These Talks Relating To This Deficit.” “‘I am not going to be part of having Social Security as part of these talks relating to this deficit,’ Senate Majority Leader Harry Reid, D-Nev., told reporters this month. Seriously? How exactly do Democrats expect Republicans to bend on their destructive refusal to raise taxes if Democrats won’t bend on their destructive refusal to trim unsustainable benefit programs? Social Security represents more than one-fifth of federal spending, much too big to ignore.” (Editorial, “Editorial: Social Security Adds To Deficits,” [USA Today](#), 11/27/12)

House Minority Leader Nancy Pelosi (D-CA) Has Indicated That No Entitlements – Not Social Security Nor Medicare And Medicaid – Should Be On The Table For Cuts. “In the House, Democratic leader Nancy Pelosi has taken the same position, not only on Social Security, but also on Medicare and Medicaid.” (Stephen Ohlemacher, “Senate Dems Divided Over Cuts To Benefit Programs,” [The Associated Press](#), 11/28/12)

THE DIVISIONS IN OBAMA’S OWN PARTY ARE COMPLICATING EFFORTS TO AVOID THE CATASTROPHE OF THE FISCAL CLIFF

“Deep Divisions Among Senate Democrats Over Whether Cuts To Popular Benefit Programs Like Medicare And Medicaid Should Be Part Of A Plan To Slow The Government’s Mushrooming Debt Pose A Big Obstacle To A Deal For Avoiding A Potentially Economy-Crushing ‘Fiscal Cliff’...”

“Deep divisions among Senate Democrats over whether cuts to popular benefit programs like Medicare and Medicaid should be part of a plan to slow the government’s mushrooming debt pose a big obstacle to a deal for avoiding a potentially economy-crushing ‘fiscal cliff,’ even if Republicans agree to raise taxes.” (Stephen Ohlemacher, “Senate Dems Divided Over Cuts To Benefit Programs,” [The Associated Press](#), 11/28/12)

“Congressional Democrats Are Starting To Draw A Much Tougher Line On Entitlements In The Increasingly Messy Fiscal Cliff Talks, Warning Republicans To Keep Their Hands Off Social Security And Medicare Benefits.” “Congressional Democrats are starting to draw a much tougher line on entitlements in the increasingly messy fiscal cliff talks, warning Republicans to keep their hands off Social Security and Medicare benefits. Democrats also say they’ll refuse to look at GOP calls to dramatically slash Medicaid. And for them to even entertain any changes to Medicare and Medicaid, they say the price is for Republicans to agree to far higher taxes than they have flirted with so far.” (Manu Raju, “Democrats Talk Tough On Entitlements In Fiscal Cliff Debate,” [Politico](#), 11/27/12)

If Obama Reaches A Deal That Includes Entitlement Cuts, “He Can Expect A Rebellion From His Allies On The Hill...” “And if President Barack Obama reaches a bipartisan deal with GOP leaders that cuts entitlements, he can expect a rebellion from his allies on the Hill — that is, unless he wins what they

consider major concessions from Republicans on taxes.” (Manu Raju, “Democrats Talk Tough On Entitlements In Fiscal Cliff Debate,” [Politico](#), 11/27/12)

- **“The Tougher Line Reflects An Emboldened Group Of Democrats On The Hill Whose Tougher Public Posturing Could Complicate Efforts By The White House To Cut A Sweeping Deal With The GOP.”** (Manu Raju, “Democrats Talk Tough On Entitlements In Fiscal Cliff Debate,” [Politico](#), 11/27/12)

Obama’s Own Entitlement Reform Ideas “Could Cause Some In His Party To Scoff.” “Democrats also haven’t been clear on what exactly they would discuss on entitlements. In previous proposals, Obama has floated the idea of reducing some payments to Medicaid providers through so-called blended rates, raising the Medicare eligibility age or requiring wealthy seniors to pay more for Medicare. Still, even those ideas could cause some in his party to scoff.” (Manu Raju, “Democrats Talk Tough On Entitlements In Fiscal Cliff Debate,” [Politico](#), 11/27/12)

WILL OBAMA LEAD?

The Washington Post’s Greg Sargent Reports That White House Meetings With Major Unions About The Cliff Have Conveyed A Willingness “To Go Over The Fiscal Cliff If Necessary.” “I’m told that representatives of major unions and progressive groups met privately this morning with senior Obama administration officials at the White House — and were pleased with what they heard. Things can always change at a moment’s notice. But attendees at this meeting came away convinced — for now — that the White House firmly believes it has the leverage in the fiscal cliff talks, and has no intention of budging on the demand for higher tax rates from the rich or on other core priorities. Indeed, one person at the meeting — which included people from the AFLCIO, AFSCME, SEIU, MoveOn and others — came away convinced that the White House would ultimately prove willing to go over the fiscal cliff if necessary, rather than give ground on core demands, though this is not by any means a desired option and isn’t being discussed as a strategic possibility.” (Greg Sargent, “Reasons To Be Encouraged About Fiscal Cliff’s Endgame,” [The Washington Post’s The Plum Line](#), 11/23/12)

- **Sargent Reports That An Attendee Said Of The Administration “They Feel Confident That They Don’t Have To Compromise” In Negotiations Over The Fiscal Cliff.** “The attendee tells me the White House is cool to the idea of going over the cliff, but added: ‘Would they if it’s between that and compromising their core principles? I was left with the impression that they would.’ They remain in the same place: They expect taxes to go up on the wealthy and to protect Medicare and Medicaid benefits,’ the attendee added. ‘They feel confident that they don’t have to compromise.’” (Greg Sargent, “Reasons To Be Encouraged About Fiscal Cliff’s Endgame,” [The Washington Post’s The Plum Line](#), 11/23/12)

“Elections Do Have Consequences, And Mr. Obama Ran On A Clear Platform Of Increasing Taxes On The Wealthy. But He Was Clear On Something Else, Too: Deficit Reduction Must Be ‘Balanced,’ Including Spending Cuts As Well As Tax Increases.” “Elections do have consequences, and Mr. Obama ran on a clear platform of increasing taxes on the wealthy. But he was clear on something else, too: Deficit reduction must be ‘balanced,’ including spending cuts as well as tax increases. Since 60 percent of the federal budget goes to entitlement programs such as Medicare, Medicaid and Social Security, there’s no way to achieve balance without slowing the rate of increase of those programs.” (Editorial, “Mr. Obama’s Time To Lead On Entitlements,” [The Washington Post](#), 11/27/12)

Obama “Has To Prepare The American People — And His Own Supporters Most Of All — For The ‘Hard Decisions’ Required To Put The Country On A Sound Financial Footing.” “Four years later, has the moment arrived? Since his reelection, Mr. Obama has fueled a campaign-style effort to pressure

Republicans to give ground on taxes. That's fine, but it won't be enough. At some point, he has to prepare the American people — and his own supporters most of all — for the 'hard decisions' required to put the country on a sound financial footing." (Editorial, "Mr. Obama's Time To Lead On Entitlements," [The Washington Post](#), 11/27/12)

"That Means Spending Cuts, It Means Entitlement Reform, It Means Compromise ... Only One Person Is In A Position To Make It Happen." "That means spending cuts, it means entitlement reform, it means compromise, it means a balanced solution that will please neither House Speaker John A. Boehner (R-Ohio) nor Senate Majority Leader Harry Reid (D-Nev.). Only one person is in a position to make it happen." (Editorial, "Mr. Obama's Time To Lead On Entitlements," [The Washington Post](#), 11/27/12)

Democrats Refuse To Touch Medicare In Spite Of Its Anticipated Insolvency In 2024. "But Medicare is facing insolvency in 2024, according to the latest trustees report. Medicare services 48 million people over the age of 65 or with disabilities, while Medicaid and the Children's Health Insurance Program provide coverage to about 60 million a month — and those social safety net programs eat up about 21 percent of the \$3.6 trillion annual budget." (Editorial, "Editorial: Social Security Adds To Deficits," [USA Today](#), 11/27/12)

"Social Security Represents More Than One-Fifth Of Federal Spending, Much Too Big To Ignore." (Editorial, "Editorial: Social Security Adds To Deficits," [USA Today](#), 11/27/12)

- **"The Shortfalls For Social Security That CBO Is Currently Projecting Are Larger Than Those The Agency Projected A Year Ago."** ("The 2012 Long-Term Projections For Social Security: Additional Information," [Congressional Budget Office](#), 10/12)
- **"Outlays For Social Security Benefits Will Jump By \$43 Billion—Or Nearly 6 Percent—This Year."** "Outlays for Social Security benefits will jump by \$43 billion—or nearly 6 percent—this year. That increase includes the effect of the 3.6 percent cost-of-living adjustment that beneficiaries received in January. In addition, the number of Social Security beneficiaries has risen by an estimated 2.5 percent, to 56 million people, in 2012." ("An Update To The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 8/22/12)