

How to Lower the U.S. Deficit Without Killing Social Security

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When it was recently announced that the federal deficit was \$2 trillion higher than previously estimated, corporate vultures — after years of high-altitude circling — began their descent.

The dying entity they're after is the U.S. social safety net — Social Security, Medicare, etc. Years of waiting have finally paid off; the long awaited pretext for scavenging has arrived in the huge federal deficit.

The day the figures were released The New York Times ran an article describing the humongous sums of debt (currently \$11.7 trillion). The article's concluding sentence was a quote from the Obama

Administration's Budget Office: "...the president is committed to addressing the shortfall in the Social Security system." (August 25, 2009). Although vague, the comment lines up with Obama's election campaign promise of "reforming entitlement programs." Not once has he said that more resources should be diverted to them.

Corporate-orientated Time Magazine was more blunt: "The real budget problems lie in the long-term programs, such as Medicare and Social Security... it's one thing to spend our way out of a recession. It's entirely different if we keep doing this forever." (August 25, 2009).

Examples like this were replicated elsewhere in the mainstream media.

Obama also used the deficit news to promote health care reform and correctly blamed much of the deficit on the high cost of Medicare, itself the result of outrageous prices that corporations charge for health care. The problem is that nothing Congress or the White House is proposing will change this. The New York Times confirms:

"...even if a health overhaul does pass, it may not include the tough measures needed to bring down spending. Ultimately, the only way to do so is to take money from doctors, drug makers and insurers, and it isn't clear whether Mr. Obama and Congress have the stomach for that fight." (June 9, 2009).

Obama's abandoning of a public option for national health insurance will guarantee that the health care mega-corporations will continue to price-gouge Medicare, handing the business elite the argument: "the giant U.S. deficit means that we can no longer afford large social programs."

The real reason that the U.S. "cannot afford" Social Security and Medicare is because the

Obama Administration has other priorities. Like Bush, Obama continues to spend billions of dollars on two foreign wars — Afghanistan and Iraq — while beginning a third in Pakistan. The truly insane annual military budget that existed under Bush will rise with Obama to \$534 billion in 2010.

Another reason for the deficit is the bank bailouts, yet another policy of Bush's that Obama continued and escalated. The Inspector General for the TARP bailout program, Neil Barofsky, reported that the potential costs for the bailout could be \$23.7 trillion!

To combat the immense rage resulting from the bailouts, media outlets recently published reports of U.S. taxpayers "profiting" from the bailout as select corporations repaid their portion with interest, though the profits were minuscule and hardly attention worthy. It was admitted, however, that "The government still faces potentially huge long-term losses." (New York Times, August 31, 2009).

Workers are not so naive to think that the Bush/Obama bailouts — the fiscal crime of the century — will earn them "profits." Just the opposite is the case. The profits that some giant banks are reporting are direct results of the bailout, itself a gigantic "forced borrowing" from working Americans, who will be paying the debt with their cherished social programs unless they mount an organized protest.

Make no mistake, the corporate elite want the U.S. deficit taken care of and they don't want to pay higher taxes to do it. They rightfully fear that foreign investors — most notably China and Japan — will quit feeding the American debt machine unless the deficit is drastically reduced.

Instead of making workers pay off the deficit, the corporate elite should be forced to. A plan of action to accomplish this might look something like this:

- 1) Pass REAL health reform: nationalized, single-payer health care without the insurance companies, eliminate the Medicare windfall profits for the pharmaceutical companies by operating these companies as public utilities and have the government set affordable prices for all medications. Over the years, this will save billions of dollars.

- 2) Pass the Employee Free Choice Act: unionized workers make more money, and will thus pay more in taxes to help reduce the deficit.

- 3) A massive jobs creation program: masses of unemployed workers cost the government billions of dollars in unemployment benefits. Creating living-wage jobs while rebuilding the U.S. failing infrastructure is a very logical alternative.

- 4) Tax the rich: The top tax bracket should pay what they paid pre-Reagan, which was 70 percent of their income. (If necessary, tax them what they paid under Truman, which was 91 percent.)

- 5) End the Wars in Iraq and Afghanistan.

- 6) Drastically reduce the military budget.

- 7) No more bailouts: Make public all the bailout spending, and make all those who received money return it. If the banks cannot pay back the money, take over their assets, i.e., nationalize them.

8) Require that the rich pay the same percentage of their salary into Social Security as the rest of us. This involves removing a cap on salaries over \$102,000 which eliminates payment into Social Security on salaries over that amount.

Of course such a plan is utterly utopian within the realm of the two-party system. Organized labor must permanently withdraw all support to the Democrats and direct its energy and resources toward a progressive political alternative. By creating a truly progressive political platform, the vast majority of society would quickly join their ranks, and the days of the two-party, big business politics would be over.

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