

The “Fiscal Cliff” Fraud

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As the US Congress reconvenes following the Thanksgiving Day holiday, the media is once again ratcheting up its propaganda offensive over the so-called “fiscal cliff.”

Behind the orchestrated wrangling between the Obama administration and congressional Republicans over averting the supposed catastrophe of automatic tax increases and budget cuts due to take effect January 1, the details of plans to impose unprecedented cuts in Medicare, Medicaid and Social Security are being worked out behind the backs of the American people.

There is bipartisan agreement between the two corporate-controlled parties to slash social programs upon which tens of millions of working people rely for health care and retirement income. The main issue under debate is how to package the cuts so as to best confuse public opinion and obscure what is really happening.

In this, President Obama is taking a leading role. His primary concern is to make the slashing of social programs that keep millions out of poverty seem necessary, while providing this reactionary attack with a fig leaf of “fairness.”

The bipartisan conspiracy against the American people was highlighted by the announcement from Republican House Speaker John Boehner that Republicans would be meeting with Erskine Bowles, the former chief of staff for President Bill Clinton and co-chair of the deficit commission set up by Obama in 2010. Bowles and his Republican counterpart, former senator Alan Simpson, proposed \$4 trillion in deficit-reduction measures, mainly in the form of regressive changes to Medicare and Social Security and huge cuts in other social programs, together with a tax “reform” that would slash rates for corporations and the rich.

For his part, Obama has “balanced” his demand for drastic social cuts with a call for the “wealthiest Americans” to “pay a little more in taxes.” The Republicans have said they are willing to accept increases in revenues, but have balked at increasing tax rates.

Obama’s call for a token increase in taxes on the highest earners, whether in the form of an increase in the top tax rate or some lowering of deductions, is nothing but a smokescreen. Any slight tax increase that might initially be imposed on the rich would be more than offset by the “comprehensive tax reform” supported by both parties.

Meanwhile, the Republicans and some Democrats are calling for an increase in the eligibility age for both Social Security and Medicare as well as the introduction of “means testing” for these basic programs.

The latter proposal is particularly insidious. It would initially be justified as a way to save

money by reducing benefits for wealthy seniors. But its real purpose would be to transform Medicare and Social Security from universal programs into anti-poverty programs, setting the stage for ever more onerous funding cuts and the eventual dismantling of the programs. Social Security and Medicare would likely go the way of welfare, a means-tested program that was eliminated under another Democratic administration—that of Bill Clinton.

On Monday, White House spokesman Jay Carney refused to rule out the Obama administration's acceptance of this radical transformation of government health care and retirement programs.

The universal claim that there is “no money” for social programs is a lie. US corporations are currently sitting on a cash hoard estimated at between \$2 trillion and \$9 trillion. They are refusing to use this money to hire workers under the pretext that there is too much “uncertainty” regarding health care costs and business regulations. In plain language, the corporate-financial elite is blackmailing the American people to force through its agenda of destroying all of the social gains achieved in a century of working class struggle.

Trillions in taxpayer funds have been handed over to the banks in government bailouts, and trillions more have been squandered on imperialist wars in the Middle East, Central Asia and north Africa. Corporate profits, CEO pay and the fortunes of the top 1 percent have never been greater.

The official discourse on the “fiscal cliff” is based on a set of unstated assumptions, including:

- * The wealth of the ruling class is inviolable. The full burden of the debt piled up by the ruling elite must be imposed on the working class.
- * There can be no significant reduction in the hundreds of billions of dollars consumed every year by the massive military/intelligence complex.

The unstated premises behind the “fiscal cliff” are bound up with the fundamental class interests that underlie the austerity drive. The deficit and debt are expressions of the crisis of American and world capitalism. The real issue is which class is to pay for this crisis—the working class through impoverishment and repression, or the ruling class through the abolition of its stranglehold over society's productive forces.

The working class must advance its own program. It must insist that all people have the right to the necessities of life: a secure and decent-paying job, economic security, food, housing, education and medical care. The realization of these rights, however, is not compatible with the continued rule of the corporate and financial elite.

Between these two conflicting principles—the right of the rich to amass their fortunes and the right of all people to a decent life—there can be no compromise. In the words of Karl Marx, “Between equal rights, force decides.” The question of who will pay for the crisis of capitalism will be decided by the struggle of classes.

If the ruling class succeeds in its efforts to roll back the gains of the preceding century, the working class will be pauperized and reduced to outright industrial slavery.

The strength of the working class, the great mass of mankind, stands in the way of this agenda. But the working class can defend its interests only insofar as it is armed with the

program of socialism and led by a revolutionary party. The aim must be the abolition of private ownership of the means of production and the reorganization society on the basis of social need, not private profit.

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