

US Ruling Class Prepares Attack on Social Security

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Prominent figures in the US ruling elite have recently made a series of statements that forewarn of massive cuts in social spending, up to and including Social Security, the bedrock federal insurance entitlement for elderly and disabled workers.

These comments reveal that, whatever the precise outcome of the midterm elections on November 7, they will set the stage for a bipartisan assault, in the name of “fiscal responsibility,” on what remains of the social reforms of the last century.

The knives are already being sharpened for a long-awaited attack on Social Security. In a rude and provocative e-mail to the president of the Older Women’s League dated August 23, former Republican Senator Alan Simpson—appointed by President Obama as co-chair of the National Commission on Fiscal Responsibility and Reform—revealed his deep hatred of both Social Security and the working people who depend upon it.

Social Security “has reached a point now where it’s like a milk cow with 310 million tits! [*sic*],” Simpson said. He blasted its recipients—retirees, those maimed and sickened by their work, and dependent survivors of dead workers—who, he said “milk it to the last degree.”

In an earlier outburst—in June, Simpson was caught on tape berating an independent journalist—he revealed the ruthless logic behind the ruling class drive for cuts: Workers, whom Simpson dubbed “the lesser people,” live too long. When Social Security was created “they never dreamed that the life expectancy would go from 57 years of age to 78 or 75 or whatever,” Simpson said. “Who would dream that? No one. They just died.”

Simpson’s commission, established earlier this year by an Obama executive order to rein in budget deficits, is reportedly considering several measures, including raising the retirement age, perhaps to as high as 70, and cutting benefits as well as cost-of-living increases. It is expected to announce its recommendations in December—not accidentally, one month after the November elections.

There is unanimity in the ruling class in favor of the attack on Social Security. Co-chairing the Fiscal Responsibility commission is Erskine Bowles, formerly a White House chief of staff to Bill Clinton, and another long-time advocate of Social Security “reform.” And signaling the trade union bureaucracy’s active collaboration, Andy Stern, former president of the Service Employees International Union (SEIU), also sits on the commission.

“I agree with many Commissioners who have said that all entitlement programs should be on the table,” Stern has declared. “We should include as part of our agenda ideas for strengthening the private parts of the retirement security system, reviewing both the adequacy and the solvency of the Social Security system, and the possibility of universal

add-on retirement accounts.”

Deepening the fiscal attack on the working class in the US, Europe and internationally was also the primary topic for discussion at the Ambrosetti Forum held last week on the shores of Italy’s elite Lake Como. Attended by political figures such as Spain’s José María Aznar, Italy’s Prime Minister Silvio Berlusconi, Henry Kissinger from the US and Israeli President Shimon Peres, as well as numerous European Union functionaries, top bankers, businessmen and academicians, the forum provides a sounding board for policies that few politicians would dare identify themselves with in public.

In one session, Hans-Werner Sinn of the University of Munich declared that Americans will “just have to go down in their living standards after years in which their living standards soared in part based on foreign credit which is no longer there.” And Jacob Frenkel, chairman of JP Morgan Chase International “urged the United States to rein in entitlements as part of a ‘political deal’ that recognizes reality,” according to an Associated Press account of the conference. JP Morgan has received tens of billions in loans, debt buy-downs, and direct cash infusions from the federal government.

The attack on entitlements and social spending is the second phase in a broad offensive against the living conditions of the entire working class, following quickly on the heels of the unprecedented attack on jobs and wages spearheaded by the Obama administration’s forced reorganization of the auto industry.

Workers are being conditioned to accept what is referred to as “the new normal” typified by low wages and benefits and the total absence of any form of social protection. Or, in the blunter words of Fiat head Sergio Marchionne, US workers must accept a “culture of poverty,” abandoning what he contemptuously referred to as a “culture of entitlement.”

The class character of the calls for “sacrifice” and “responsibility” is increasingly naked. Even as Washington prepares for drastic cuts to Social Security and all manner of social spending, Congress appears likely to extend or make permanent the Bush-era tax cuts for the extremely wealthy, which have cost the federal government trillions of dollars.

Peter Orszag, until July 30 Obama’s director of the Office of Management and the Budget, in a Tuesday column for the *New York Times* called for a two-year extension of the Bush-era tax cuts for the richest income earners. In the very same article, Orszag called for Social Security “reform,” a 5 percent cut to discretionary social spending, a 6 percent value added sales tax, and higher taxes on “middle-class and lower-class families,” which he called “troubling” but “unavoidable.”

The sharp move toward austerity and the attack being prepared on Social Security stand as a testament to the bankruptcy of American democracy. The upcoming election and the official debate that surrounds it—including Obama’s latest in a series of purely symbolic jobs proposals—only aim to disorient the population.

The basic thrust of US policy has already been determined. The ruling class is determined to shift the full burden of the financial and economic crisis onto the working class. In this context, the widely anticipated gains for Republicans in the election are already being presented as evidence that the demand for attacks on social spending originate in the population itself.

This is a lie. In fact, the objective interests of the great majority of the population—suffering through the worst social crisis in generations—demand a massive jobs program, free universal health care, secure retirement, improved quality and access to education and culture, and other social rights necessary for life in modern mass society.

The trajectory set by the ruling financial aristocracy is in precisely the opposite direction. The attack on living conditions will continue and deepen until the working class mobilizes its independent political strength to bring it to a halt.

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