

Cutting the Deficit: Sacrificing Workers to Save the Rich

By [Prof. James Petras](#)

Global Research, November 28, 2010
28 November 2010

Region: [USA](#)

Theme: [Poverty & Social Inequality](#)

“There’s class warfare, all right, but its my class, the rich class that’s making war and we’re winning” Warren Buffet

The most important and popular social and tax programs in the United States are threatened by a self-styled “Bipartisan National Commission on Fiscal Responsibility and Reform”. Appointed by President Obama on February 18, 2010, co-chaired by two longstanding champions of Wall Street: ex Senator Simpson (R, WY) and former Clintonite White House Chief of Staff Erskine Bowles. The Commission Report issued November 10 proposes to slash social security payments, reducing recipients to poverty, raise the retirement age to 69 ensuring that millions of workers will die before they can retire, or enter retirement in ill health; reduce or freeze cost of living increases through inflation indexes which understate by half the rises in food, gas, hospital and education. The Commission proposes deep cuts in Medicare, increased Medicaid co-pays and slashing \$54 billion from graduate medical education. The Commission proposes to eliminate tax breaks including deductions for home mortgage interest payments while taxing employer provided medical insurance.

The same Commission Report proposes to reduce capital gains and income taxes for the rich by up to 24%.

President Obama and the Republican leadership praised the Commission and wants “to give them space to work on it”.

The so-called crisis of Social Security is a result of the Republican and Democratic governments siphoning off payments into the general fund. The forthcoming shortfall (2030) can be easily remedied by lifting the payroll tax ceiling, for the rich, taxing all earned income.

Medical costs can be reduced by 50% by replacing the for profit corporate health insurance and pharmaceutical corporations with a non-profit national health system, similar to successful programs in Europe and Canada.

Both Medical plans and Social Security can be easily funded by imposing a 1% sales tax on the sale of stocks and bonds.

The deficit proposals put forth by Obama’s Bipartisan Commission threaten to push the one-third of retirees who depend mainly on their social security payments into the food kitchens or destitution. The added cost and reductions in health care will increase the mortality rate

among working families. The increase in retirement age will result in “work until you die”, with no time for leisure, travel or grandchildren. It is time to send a message to Washington: cut Social Security and Medicare and home interest deductions and you will visit Washington on your own time.

The original source of this article is Global Research
Copyright © [Prof. James Petras](#), Global Research, 2010

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Prof. James
Petras](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca
www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca