

## Obama vs. Social Security (round one)

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Global Research, January 12, 2009  
12 January 2009

Region: [USA](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

Obama should have remained mum ... at least until the inauguration. He's been successfully dodging questions and avoiding opinions on all matters for months now, but let one slip through at a recent press conference.

After announcing that the U.S. budget-deficit would be a trillion dollars "for years to come," Obama immediately stressed his commitment to "contain" the budget-deficit problem.

In previous speeches, Obama vaguely addressed the deficit issue by promising to cut "wasteful spending," without ever defining what that meant. This time, however, after being specifically asked if Social Security and Medicare would be part of his plan to "contain deficits," Obama replied:

"We expect that discussion around entitlements will be a part, a central part, of those plans."

There you go.

We won't know the details of Obama's attack on the social safety net until February, when he releases his first budget proposal, but we can safely expect a full frontal assault.

Why?

When Bush pathetically tried and failed to privatize social security, nobody really asked why, since he was by then widely recognized as a corporate tool. Obama is destined to follow a similar path.

The social class that actually makes the decisions in the two party system — the small group who own the banks and other corporations — view the social safety net with contempt; they want it abolished.

The simple reason is because when money goes towards social programs, it is not going towards profit making, corporate handouts, bank bailouts, or military spending. This is especially important in periods of recession. Also, a sound economy requires a balanced budget, or at least a manageable deficit. Otherwise the deficit may scare away the domestic and foreign investors that pay into it.

Why the Crisis?

One should wonder why the richest country in the world cannot "afford" to pay for a basic social safety net. It makes no sense. Things become clearer, however, when one considers the recent history of the tax system.

According to the Treasury Department, prior to Ronald Reagan the top tax bracket — the super rich — paid over 70% of their income towards taxes (that which wasn't safely stowed away in foreign banks or hidden behind giant tax loopholes). After Bush Senior was done, this number was reduced to 28%. This is the real reason why the ruling class has such fond memories of Ronald Reagan — he helped them make giant strides towards destroying the gains workers had made in the World War II era, such as the two decade span when the rich paid on average 90% of their income towards taxes (US Census Bureau). Obama, too, gets nostalgic over the "Reagan Revolution." The end result is that far less money is available, and programs like Social Security quickly become under funded, while terms like 'billionaire' come into existence.

One of Obama's campaign promises was to retract the Bush, Jr., tax cuts for the rich — also one of his first promises tossed aside. Adding insult to injury, Obama's upcoming "stimulus package" contains \$150 billion worth of tax cuts for the rich. This is the same stimulus package that Senator Tom Harkin correctly labeled "trickle-down economics," or 'Reaganomics.'

In order for Obama to convince "fiscal Conservatives" to support his stimulus plan, the Economist magazine revealed that Republicans agreed to a "big expansion of deficits in the short term but they wanted an early commitment to deal with entitlements [social programs] as well."

In the same article, it was revealed that in order to deal with the deficit problem, Obama would have to eventually declare: "...Ladies and gentlemen, your Social Security and Medicare benefits are going down and your taxes are going up..."

Not only is less money being paid into taxes because of tax cuts for the wealthy, but more money is continually being used to build weapons of mass destruction. In 2009, \$651.2 billion was spent on the military!! In addressing the budget-deficit crisis, Obama has not uttered a word about reducing this truly sinful number, but has instead talked about 'modernizing' the army and beefing up the recruiting numbers, both of which equal more military spending.

Further exacerbating the deficit problem is the 'natural' result of recessions: people become unemployed and need government assistance on a colossal scale — the same assistance that the ruling class dismisses as "entitlements" deserving to be erased.

Ultimately, the budget deficit is the result of massive bank bailouts, generational tax cuts for the rich, and two wars — ordinary Americans receive zero benefit from these policies.

Obama has already promised more bailouts for the rich, which will come with a price that workers will end up paying for. Unless we organize and fight to challenge these plans, Social Security, Medicare, Medicaid, education, and other social programs will be either drastically reduced or abolished.

Workers everywhere have an interest in protecting social programs, since capitalism is a system that, at any time, can create unemployment and the resulting need of assistance. We are entering a period of history where we can only keep the social safety net — or indeed expand it — by using the same level of organization and militancy that originally created it.

Hands Off Social Programs! No bank bailouts! Tax the Rich!

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