

The Drive to Eliminate Social Security in America

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In Washington each new day brings a fresh call to “reform entitlement programs” — Social Security, Medicare, etc., (in Congress, the word “reform” now means to eliminate, or drastically reduce). Tackling Social Security has been on the to-do list of the corporate elite for years, and they’re not waiting any longer. After years of promoting this cause, conservative think tanks have now garnered solid support from the political establishment as a whole, which includes the Republican and Democratic parties.

The newest liberal recruit to the destruction of Social Security is Thomas Friedman, the influential columnist for The New York Times, who wrote recently:

“The president needs to persuade the country to invest in the future and pay for the past... We have to pay for more new schools and infrastructure than ever, while accepting more entitlement cuts than ever [Social Security, Medicare, etc.] when public trust in government is lower than ever.” (February 20, 2010).

The nonchalance which Friedman calls for cutting Social Security is indicative of the climate in Washington, where the last remnants of liberalism have been suffocated under the heavy demands of profit-hungry corporations, especially financial institutions and big banks. For political hacks like Friedman — and there are thousands of them — the ONLY solution to curing the U.S. deficit is cutting social services in general, while specifically targeting Social Security and Medicare.

But President Obama revealed these assertions to be lies, when he recently announced, “fixing Social Security would be simple.” The Associated Press explains:

“The system is funded with a tax on earnings, up to \$109,000 a year. Obama says lifting that cap to tax a larger share of income would be one way to extend the system of monthly payments for retirees. It also would be unpopular with some.” (February 19, 2010).

This idea is indeed very unpopular with the very rich, who enjoy the privilege of paying no Social Security tax after the \$109,000 threshold. Obama let an unpopular truth out of the bag when he brought up this fact; but conveniently for him, many mainstream news outlets decided not to amplify the President’s voice.

Obama, however, is unlikely to promote this “radical” idea much further, since he’s already decided on a method to undermine Social Security. Obama’s National Commission on Fiscal Responsibility and Reform is a bi-partisan group that is set to attack Social Security in a way

where, in the end, both political parties will be blamed, so that neither party is overburdened with guilt. The Republicans — having made their contempt for Obama more than known — are salivating at the chance to cooperate.

The Washington Post recently announced that Republican leaders have agreed to Obama's commission, while making no secret about the motive behind the grouping:

“...Obama's commission may lack the power to force the parties to reach consensus on a plan that is almost certain to require deep cuts to the popular entitlement programs — Social Security, Medicare and Medicaid — as well as significant tax increases...Building bipartisan consensus for such a plan would be particularly difficult in the run-up to the fall elections...” (February 19, 2010).

Since the foregone conclusions of Obama's panel will be so unpopular, the Washington Post explains that they will be announced after the fall elections, in December 2010.

There will be little room in Obama's commission for his above-mentioned tax increase on the rich. The Republicans have already announced that they will be solidly focusing on reducing services for the working class, not taxing the wealthy.

What will the “reformed” Social Security look like? Again, the Conservative think tanks have an idea waiting in the wings: personal savings accounts. In the same way that 401(k)s killed the pension, Social Security is set to be privatized for the mighty benefit of Wall Street.

Just last week, Republican Rep. Paul Ryan of Wisconsin announced a privatization plan that just happened to coincide with the creation of Obama's commission. Michael Hiltzik of The Los Angeles Times called Ryan's plan “a roadmap for killing Social Security.” He writes:

“His [Ryan's] privatization scheme would allow workers under 55 to place more than one-third of their current Social Security taxes into personal retirement accounts, with the ultimate goal of shifting most of that money into the stock market.” (February 17, 2010).

By creating individual accounts, Wall Street is bolstered while the public nature of Social Security is undermined, since Social Security is a “pay as you go” program: if workers under 55 decide to invest in Wall Street, and not to pay into the Social Security fund, older workers don't receive benefits. Social Security is thus dismantled.

Only workers who have money to save — and are gullible enough to trust their money to Wall Street — will put money in their new Social Security accounts.

The killing of Social Security and Medicare cannot be a one-act drama. If both programs were instantly destroyed, the public outrage would be uncontrollable. Obama's deficit commission, then, will likely work to undermine the program in a variety of ways so that a future Congress can finish the job.

Therefore, Obama's commission may recommend a variety of tactics to strip the program: instituting benefit cuts, increasing the age in which benefits are received, and introducing a limited option for personal accounts. Also possible is the implementation of a tiny,

ineffectual tax on the rich to give the illusion that everybody is making “sacrifices.”

Whatever methods are used to attack Social Security, they will surely erode the last vestiges of credibility from the two-party system. Most Republicans are aware that their cooperation on the elimination of Social Security and Medicare will destroy what’s left of their party, which is why they are in the midst of creating a new, more radically right-wing party — now a mere tea party.

But the above scenarios are not inevitable, as the corporate establishment would have you think. The only reason Social Security and Medicare were not attacked earlier was the fear of working class reaction. That fear must be reintroduced.

A coalition of unions, pensioners, AARP members, and other retiree organizations must unite to oppose any cuts in Social Security, Medicare, Medicaid, and social services. To begin, these groups could include their demands in a “jobs for all” march on Washington , which many unions have been calling on the labor movement to organize.

Other community and student groups would be drawn into such a struggle, as could the general public. In place of cuts to essential services, a tax on the wealthy and corporations must be demanded, alongside of an end to foreign wars, bank bailouts, and other forms of corporate welfare. If such a coalition fails to materialize, the banks and corporations will continue to loot workers in this country unchallenged. The sooner the cut backs are organized against and smashed, the better.

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