

Town hall meeting on Social Security

Clinton launches big business assault on retiree pensions

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Clinton's town meeting on Social Security, held Tuesday in Kansas City, marked the beginning of a public relations campaign to confuse and manipulate public opinion in favor of far-reaching attacks on the Social Security system, presented in the guise of "reform."

The meeting, like all such media events, was carefully orchestrated. The White House hired a market research company to vet the audience participants. However even among this select group serious concerns were raised about the proposals being advanced. One woman, who identified herself as a nurse, questioned the plan to set up private accounts, asking, "Are we really socially secure and not taking out that security piece?" Someone else asked why the current cap of \$68,400 on incomes subject to the Social Security tax could not be eliminated, thereby increasing the contribution of the wealthy to the system.

In response to questions over whether privatization would make future benefits less secure, Clinton was evasive. While he attempted to reassure the public that their pensions were safe, he hinted that the guarantee of annual benefits could be diluted or eliminated entirely. Pointing to the example of big business, he said, "An increasingly smaller percentage of our work force works for a company that can afford to guarantee you a retirement [and] say 'Here's what your benefits are going to be forever.'"

In reality, the various changes under discussion are all directed toward the erosion and eventual dismantling of the system of state-funded pensions. Powerful business interests are moving the official debate, bringing to bear the resources of the media and the political establishment to gut entitlement programs on which millions of people depend. A major motivation is the desire of banking and corporate interests and big investors to lay hold of the hundreds of billions of dollars in the Social Security Trust

Fund and funnel this cash hoard into the stock market.

There is much exaggeration and crisis-mongering in the media portrayal of the state of Social Security. Even the applicability of the term "crisis" is questionable. Based on the government's own projections, the Social Security Trust Fund will continue running a surplus until at least 2019, and no actual shortfall is foreseen until 2029.

The common premises shared by the media and the Democratic and Republican politician—never explained nor justified—is that Social Security can only be saved through drastic changes which involve more sacrifices on the part of the elderly, as well as the privatization, in part of whole, of the system.

The unchallenged assumption that workers must bear the burden of any funding problems in Social Security—in a country where fortunes of enormous proportions are made on the stock market and the average Fortune 500 CEO takes in \$ 8.7 million a year—underscores how all priorities in American society are skewed in favor of the rich. In reality, the long-term funding problems of Social Security could be solved if only a portion of the massive tax breaks given to the rich over the past 20 years were reversed.

The attack on Social Security is following a tried and tested pattern. First the Clinton administration and the news media create a crisis atmosphere. Next there is a sham public debate to discuss the artificially created crisis. While the real policy issues are decided behind the scenes by lobbyists and the political representatives of big business, Clinton creates a diversion in the form of "town meetings." Out of this is generated the appearance of consensus behind measures that have never been explained and are, in reality, vastly unpopular.

The cynicism of the whole operation is underscored by the timing of its various parts. For the present, the Clinton

administration maintains the pretense of being uncommitted to any particular set of proposals. It is “listening to the people.” Only after the congressional elections, in December of this year, is Clinton to reveal his plan, as part of a bipartisan conference on Social Security. Delaying this conference until after the elections gives both Democrats and Republicans the chance to campaign as defenders of the elderly, before they publicly commit to brutal cuts in their benefits.

The outline of these attacks is already clear. Democratic Senators Bob Kerrey of Nebraska and Daniel Patrick Moynihan of New York recently presented a plan that, besides cutting cost-of-living increases, would more rapidly impose a higher eligibility age for receiving benefits. Presently the retirement age is scheduled to rise from 65 to 67 by the year 2027. The Moynihan-Kerrey plan would move this date forward to 2016, and further increase the retirement age to 68 in 2023 and 70 in 2027.

Kerrey and Moynihan have also proposed setting up individual retirement accounts. Some of the money presently deducted from payroll taxes could then be invested in the stock and money markets instead of the Social Security Trust Fund.

Other business spokesmen and politicians are proposing more radical plans to plow part or all of the trust fund into the stock market, and replace Social Security with private, individual retirement accounts.

Such proposals are not only motivated by financial considerations; they have an ideological aim as well. Powerful sections of the American ruling class are determined to eradicate from the public consciousness all conceptions of social solidarity, and any notion that society as a whole has a responsibility for the well-being of its members. Instead they want an unadulterated ethos of dog-eat-dog market capitalism.



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