

Bush demands deep cuts in Social Security benefits

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30 April 2005

President Bush used a rare prime-time nationally televised press conference Thursday to open up a campaign for cutting Social Security benefits and ultimately dismantling the country's principal old-age pension system.

The press conference, the first of his second term, once again featured the smirking and semi-coherent president aided and abetted by a docile White House press corps that proved incapable of focusing upon, much less pressing, a single issue.

Nonetheless, there was no escaping the fact that the Republican president, now completing the first hundred days of his second term, is confronted with a growing wave of popular hostility.

The press conference followed a 60-day "barnstorming tour" in which Bush presented his proposal for privatizing the Social Security system to carefully vetted audiences of the Republican faithful in 23 states. Despite the media's predominantly uncritical echoing of the administration's claims about an ominous crisis in the retirement system, Bush's public relations efforts have fallen flat, generating even greater opposition to the scheme.

A *Washington Post*/ABC News poll released on Tuesday showed two out of three Americans disapproving of Bush's approach to Social Security and over half opposing his proposal for diverting Social Security contributions into private individual investment accounts. The polls indicate a steady growth in such sentiments.

Bush's appearance was aimed at reversing this trend and pressuring members of Congress to act on his demand for the so-called reform of the Social Security system.

The thrust of his proposal was to introduce a means-based determination of Social Security benefits. "I propose a Social Security system in the future where benefits for low-income workers will grow faster than benefits for people who are better off," Bush said.

Under the scheme he has embraced, increases in the benefits for the so-called "better off" would be tied to increases in the price index, rather than, as they currently are, to the rise in average wages. The change would slash benefits for the majority of future recipients by a combined total of trillions of dollars.

While the White House billed the press conference as a forum for Bush to provide a detailed plan for Social Security, the presentation made by the president was as vague as it was deceitful.

Nowhere did he indicate where the administration proposes to draw the line between "low-income workers" and the so-called better off. Clearly, however, Bush was not referring to the wealthy

elite that he represents, but rather to masses of working people for whom Social Security constitutes the single most important component of future retirement income.

According to a study conducted in February by the chief actuary of the Social Security Administration, under the Bush plan, those entering the workforce now and earning an average wage—\$36,000 a year—would receive 20 percent less in benefits than under the current system. This amounts to a loss of approximately \$7,500 annually. Those earning \$59,000 would see a 30 percent cut. Only those earning less than \$25,000 a year would be spared any reduction in benefits.

No one in the White House press corps bothered to challenge the president's absurd pretense of concern for the poor. This is an administration, after all, that has carried out a systematic policy of destroying social benefits in order to enrich further the top one percent.

The Social Security plan is no different. It has been drafted in the shadow of the socially regressive federal budget approved by the House and Senate, also on Thursday. Over the next five years this budget makes \$35 billion in cuts to basic social benefits, including Medicaid, the principal health program for the poor, while providing \$106 billion in tax cuts directed overwhelmingly to the wealthiest layers of society.

Among the lies and distortions that filled Bush's opening ten-minute speech and the answers to subsequent questions, the following stood out: "Franklin Roosevelt did a wonderful thing when he created Social Security. The system has meant a lot for a lot of people. Social Security has provided a safety net that has provided dignity and peace of mind for millions of Americans in their retirement."

Those who devised the Bush administration battle plan against Social Security and who are leading the fight for its implementation by Congress are inveterate enemies of the retirement system. They seek the scrapping of all that remains of the New Deal and every other measure introduced over the past century to ameliorate social misery by means of government intervention.

They are the political heirs of the right-wing business interests who in the 1930s branded Roosevelt as a communist and a traitor to his class, saw his New Deal programs as a bid to "Sovietize" America and rejected the Democratic president's insistence that minimal social measures were required to save capitalism and stave off the threat of a social revolution.

Now they are selling their retrograde program as a reform, much in same cynical way that a war of aggression in Iraq was promoted as a defense of America against terrorism.

Behind Bush's absurd pretense of concern for the poor, the administration is pursuing a strategy that has been developed by these political forces, organized in extreme right-wing think tanks, including the Cato Institute and the Heritage Foundation. Behind them stand the most powerful US-based corporate and financial interests.

The introduction of means-based benefits in Social Security is aimed at driving a wedge between better-paid workers and the working poor. The right seeks to create such a division in order to provide the social basis for employing the same kind of reactionary and racist demagoguery that they previously employed to undermine and gut welfare for the poor.

Their aim is not the Social Security system's reform, but its destruction. The Republican right has repeatedly described it as the "linchpin of the welfare state" and sees its demise as key to eradicating all forms of social spending, including Medicaid, Medicare and publicly funded education.

This is the reason that the administration has launched a scare campaign to portray the Social Security system as teetering on the brink of bankruptcy. The public, Bush claimed Thursday night, "understands Social Security is headed for serious financial trouble, and they expect their leaders in Washington to address the problem". He continued by asserting that the system is "on the path to bankruptcy" by 2041.

In fact, even according to the most pessimistic projections, the system would still be able to pay out 70 to 80 percent of scheduled benefits by that year. Leaving the system untouched, in other words, would provide retirees with higher benefits than what would result from the "reforms" that the administration is proposing.

Reversing even a fraction of the massive tax cuts for the rich that have been enacted over the past four years would provide sufficient funding to close the gap, as would taxing the full income of the wealthy, who currently pay Social Security contributions only on their first \$90,000 a year. Similarly, imposing a Social Security tax on the unearned income of wealthy investors would suffice. Neither big business party is seriously entertaining any of these proposals, because they run counter to their joint commitment to defend the interests of the rich.

It is worth recalling that at the time of Social Security's creation, the Roosevelt administration was itself rent by a raging dispute over what was widely seen as a highly regressive means of financing the system—from the paychecks of the American worker. Many argued that the burden should be born by those most able to afford it, the corporations and the rich. There is no one in the Democratic Party leadership who would make a similar argument today.

In response to a largely non-existent crisis, the Bush administration has relentlessly pushed for a nonsensical solution—privatization. The creation of private accounts would create a far bigger problem than the one that Bush pretends to be fixing, ultimately bankrupting the system. The nearly \$7 trillion that would be required to set up the private accounts would be

more than enough to close the projected funding gap if invested in the Social Security fund.

While forced to begrudgingly concede that the creation of such accounts would do nothing to resolve the supposed crisis that he claims has motivated his demand for "reform," Bush nonetheless continues to insist that they be included in any plan.

That is because they serve the same essential purpose of destabilizing and destroying the system. The combination of cuts through price indexing and the introduction of private accounts would serve to drastically reduce the importance of Social Security for the majority of working people. According to one study, together they would slash defined benefits—supposedly offset by returns from personal accounts—for the average worker by 66 percent—from \$22,100 a year to \$7,510, in 2005 dollars. Under those conditions, the extreme right-wing forces that dominate Washington reason, the winding up of the system would be relatively easy.

At the same time, the diverting of workers' payroll deductions from the Social Security system to the stock market has an obvious appeal for Bush's core constituency. It would create close to a trillion dollars in additional fees for the finance houses over the next 75 years, while opening up vast opportunities for the further enrichment of the wealthy elite through the swindling of those forced into the "ownership society" that Bush has vowed to create.

The reactionary ideologues who devised the Bush plan have fantasized that the new "investors" will flock to the Republican Party and will be loath to challenge in any way the interests of the capitalist corporations for fear of diminishing the stock prices upon which their futures will depend.

The administration is banking on the Democrats' ultimate capitulation to this reactionary fantasy and relying on the mass media to help confuse and deceive the public on the Social Security issue. Yet, Bush's Thursday night press conference presented an unmistakable portrait of a presidency in crisis and on the defensive.

The well-founded suspicion and hostility of the American people toward Bush's Social Security scam is joined with growing opposition to the continued US military occupation of Iraq. The relentless and criminal policy of attacking the living standards and basic rights of working people for the benefit of a financial oligarchy is creating the conditions for social upheavals in the United States.



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