Republican budget sets stage for expanded assault on US workers

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The Republican budget proposal unveiled Tuesday by Wisconsin Congressman Paul Ryan, chairman of the House Budget Committee, is nothing short of a declaration of war on the American working class.

It goes far beyond the already draconian austerity measures contained in President Obama's fiscal 2012 budget released in February. That budget took as its point of departure the cost-cutting health care overhaul passed in 2010 and added a freeze in discretionary spending on social services.

Ryan proposes to cut $6 trillion in federal spending over the next ten years by phasing out Medicare, the federal health care program that currently covers 47 million senior citizens and disabled people, ending Medicaid, the federal-state health program for the poor, and drastically cutting food stamps, education, transportation, environmental protection, food safety, farm subsidies and other services, as well as slashing the jobs and pensions of federal workers.

Ryan plans to replace Medicare, for all those born in 1957 or after, with federal vouchers to purchase private insurance. Ending Medicare, with its defined and guaranteed benefits, would by itself drive tens of millions of elderly people into poverty. Since Medicare was enacted in 1965, the official poverty rate of Americans over 65 has declined by nearly two-thirds.

The Congressional Budget Office said that 65-year-olds would have to cover an average of twice as much of their total health care costs under Ryan’s plan. People over 55 who would remain in the existing system once they reached the entry age would be forced to pay higher deductibles and co-insurance costs. Ryan also proposes to increase the eligibility age for Medicare from 65 to 67.

Medicaid would effectively be dismantled by abolishing federal rules on benefits and eligibility, giving the states complete autonomy, and funding their programs with federal block grants, which would not be adjusted to meet rising needs. Total Medicaid spending would be cut by 22 percent ($771 billion) over ten years.

A conscious aim of the dismantling of these crucial health insurance programs is to reduce the life expectancy of working and poor people by denying them access to decent care. The multi-millionaires and billionaires who comprise the ruling class deem expenditures on people who cannot be exploited to produce profit an intolerable deduction from their personal wealth.

Federal spending as a percentage of the US gross domestic product would decline under the Republican plan to the lowest level since 1949. Deficit-reduction over the decade would be minimal, however, because the plan calls for massive tax cuts for corporations and the wealthy—$4.2 trillion worth. The plan would make permanent Obama's two-year extension of Bush-era tax cuts for the rich, as well as large estate tax cuts. It would give corporations and the wealthy a huge windfall by cutting the highest federal income tax rate as well as the corporate tax rate from 35 percent to 25 percent.

The budget plan is a proposal to reverse a century of social progress in the United States and return to the days when workers lived lives of grinding poverty and misery. Not so long ago, it would have been dismissed as the fascistic ravings of a right-wing fanatic. Today, it is generally accepted by its Democratic critics as well as its supporters as a legitimate and even “serious” contribution to the budget debate.

Obama has declined to speak on Ryan’s proposal, while the media, including Democratic-leaning outlets, have generally dealt with it in the most abstract and superficial manner, refusing to make clear its catastrophic implications for millions of Americans.

New York Times columnist David Brooks hailed the budget plan, writing on Tuesday:

“Today, Paul Ryan, the Republican chairman of the House Budget Committee, is scheduled to release the most comprehensive and most courageous budget reform proposal any of us have seen in our lifetimes. Ryan is expected to leap into the vacuum left by the president’s passivity. The Ryan budget will not be enacted this year, but it will immediately reframe the domestic policy debate.

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"The Ryan budget will put all future arguments in the proper context: The current welfare state is simply unsustainable and anybody who is serious, on the left or right, has to have a new vision of the social contract."

The *Washington Post* editorialized on Wednesday: "The first thing to praise about House Budget Committee Chairman Paul Ryan's budget plan, unveiled Tuesday, is that it exists. The Wisconsin Republican has produced a plan to deal with the debt, which is more than his Democratic colleagues or President Obama can say…"

The lead editorial in Wednesday's *Wall Street Journal* made clear that Ryan's plan, which does not include specific cuts in the Social Security pension system for the elderly, is the prelude to the destruction of that cornerstone social reform as well.

"Mr. Ryan's budget rollout," the *Journal* wrote, "is an important political and policy moment because it is the most serious attempt to reform government in at least a generation… Mr. Ryan decided not to walk point on Social Security, though everyone knows that retirement entitlement is also unsustainable with $17 trillion in unfunded liabilities. As a policy matter, Social Security is also the easiest problem to solve—change the benefit formula, means test benefits, raise the retirement age, and more."

On its editorial page, the *New York Times* criticized the Republican plan as unduly harsh and too generous to the rich, but concluded with an affirmation of its common ground with Ryan on the need for austerity measures. "The deficit is a serious problem," it wrote, "but the Ryan plan is not a serious answer."

As Ryan and the Republicans know, there is virtually no chance this plan will be enacted prior to the 2012 election, as the Democrats control the White House and the Senate. It nevertheless serves a critical function in intensifying the bipartisan attack on the social conditions and living standards of working people and youth.

The Republican plan creates the political conditions for Obama and the Democrats to up the ante on their own attacks on Medicare, Medicaid and other social programs and their own tax breaks for the corporate elite, even as they posture as the defenders of the "middle class" and the sole alternative to the Republican right.

Across the official political and media spectrum, there is an acceptance of the essential framework of Ryan's plan—that the working class must pay for the massive debts resulting from the bailout of the banks, the tax cuts for the financial elite, and the overall crisis of American capitalism through ever more painful cuts in its living standards.

The Democrats, no less than the Republicans, represent the American ruling class and defend its interests. They welcome the Republicans' calls for the equivalent of a social counterrevolution as a means of shifting the official debate and government policy ever further to the right.

Thus, White House press secretary Jay Carney released a statement saying that administration officials agree with Ryan's goals but disagree with his approach. In the Senate, Democratic Budget Committee Chairman Kent Conrad is working on a bipartisan strategy that would reduce the national debt through higher taxes, mainly on working people, and cuts in entitlement programs such as Medicare and Medicaid.

The Socialist Equality Party and the *World Socialist Web Site* reject the entire framework of the official budget debate. We reject the proposition that working people should sacrifice to prop up the crisis-ridden and historically bankrupt capitalist system. The barbaric proposals emanating from the ruling class and its political servants provide the most compelling argument for the overthrow of this system and its replacement with socialism.

There are two irreconcilably opposed lines: that of the ruling class and both of its parties, which insist on the financial aristocracy's "right" to personal wealth and profit, and that of the revolutionary socialist party, which articulates the interests of the working class. We insist that the working class has social rights—to secure and good-paying employment, health care, housing, education, a comfortable retirement, a world free of war and repression, a future for the youth—and that these rights must be secured through a frontal assault on the wealth and privileges of the ruling class.

That requires uniting the working class in a mass socialist movement independent of all of the political parties and representatives of the ruling class. The SEP, the International Students for Social Equality and the *World Socialist Web Site* are holding conferences this month, beginning this weekend in Ann Arbor, Michigan, on "The Fight for Socialism Today" to discuss the program upon which this movement must be built.

We urge all of our readers and all those who are looking for a means to fight against the attack on social conditions and democratic rights, and against the wars in Afghanistan, Iraq and Libya to attend. Click here to register or for information.

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