

US budget debate targets Social Security and Medicare

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14 March 2013

Just two weeks after the start of \$1.2 trillion in “sequestration” budget cuts, the burden of which is already being felt throughout the country, the Democrats and Republicans are moving on to their next order of business: a coordinated attack on the core federal health care and retirement programs.

While the two parties and the media are once again seeking to create the appearance of deep and fundamental conflicts—with endless talk of congressional “gridlock” and the “partisan divide”—there has never been greater bipartisan agreement on basic policy. The political theatrics of the so-called budget “debate” is but the latest example of the cynical dog-and-pony show of US politics, leading inevitably to a new round of bipartisan attacks on the working class.

The budget proposals of the two parties were unveiled this week. Republican Representative Paul Ryan, the 2012 candidate for vice president, presented a proposal to cut \$4.8 trillion, including cuts already legislated. The Democrats followed with a plan that calls for \$1.8 trillion in deficit reduction. The Democrats’ budget assumes as a baseline the sequestration cuts, making clear that these drastic cuts in social programs will never be restored.

While the overwhelming majority of the population—90 percent according to one recent poll—opposes any cuts to Medicare, Medicaid or Social Security, the Democrats and Republicans are united in demanding that they be slashed.

President Obama met with congressional Democrats Tuesday to insist that they accept cuts in these so-called “entitlement” programs as part of a budget deal with the Republicans. Obama has already imposed hundreds of billions of dollars in cuts to Medicare. Now he is pushing for changes that will significantly cut Social

Security benefits by lowering cost-of-living adjustments.

The deficit debate follows a well-trod and predictable path. The Republicans set the tone and framework of the discussion by taking the most extreme position, while the Democrats, themselves proposing unprecedented and brutal austerity measures, posture as the defenders of the “middle class” and proponents of a “fair” and “balanced” approach.

These planned cuts are the latest in a series of actions through which the crisis of capitalism that erupted in 2008 has been utilized to effect a restructuring of class relations in the United States. The financial oligarchy, having precipitated the Wall Street crash through massive speculation and fraud, demands that its losses be repaid many times over through the impoverishment of the broad mass of working people.

In the immediate aftermath of the financial crash, the debts of the banks were assumed by the state through the largest bank bailout in history—supported by Bush and then Obama. This was followed by an historic attack on workers’ wages, initiated by the Obama administration’s 2009 restructuring of the auto industry, which included a 50 percent reduction in the wages of newly hired workers.

Next came an unprecedented attack on government workers, with 750,000 public-sector jobs lost since 2008, mainly at the state and local level. State and city governments, under both Democrats and Republicans, have, with the support of the Obama administration, taken an axe to vital social services. Hundreds of schools have been shut down, hundreds of thousands of teachers laid off, fire departments cut to the bone.

The assault then turned to federal spending, with \$1.2 trillion in cuts to discretionary spending worked out between Democrats and Republicans in 2011 and

another \$1.2 trillion imposed with the sequester.

However, the big prizes still remain. The ruling class has long been plotting to dismantle Medicare, Medicaid and Social Security, which are seen as vast new sources of potential wealth.

The unstated premise of the entire official budget debate is that no option can be considered that in any way impinges on the wealth and prerogatives of the financial elite. On the other hand, no economic lifeline for working people—jobs, wages, pensions, health insurance—is to be spared the budget axe.

Social Security, Medicare and Medicaid, which have kept tens of millions of people out of poverty, were not benevolent gifts handed down by the ruling class. They were wrenched from the American corporate elite through mass social struggles of the working class.

Social Security was part of the New Deal reforms implemented in the 1930s by a ruling class fearful of social revolution. With the example of the Russian Revolution very much alive in the collective consciousness of the American working class, mass struggles were waged in response to the Great Depression, including citywide general strikes in 1934 in Toledo, Minneapolis and San Francisco. Within months of the enactment of Social Security, the wave of sit-down strikes swept over basic industry, implicitly raising the question of which class was to control the means of production.

Medicare and Medicaid were enacted in the 1960s, after the postwar strikes and in the midst of labor battles, the civil rights movement and urban uprisings throughout the country.

Then as now, the basic question facing the working class was one of mobilizing itself as an independent political force. Under conditions of the postwar boom, the ruling class responded to social upheaval with limited reforms. The social structure of capitalism remained intact and, with the crucial assistance of the trade union bureaucracy, which tied the working class politically to the Democratic Party, the political and economic power of the ruling class was left untouched.

Now, in a new period of crisis, the ruling class is moving rapidly to claw back whatever it was forced to give up over previous decades.

The defense of health care, pensions and other basic social rights once again depends on mass struggle. Such struggles are inevitable. The more the ruling class

presses on with its attack, the more it will provoke resistance.

For these struggles to be successful, however, the working class must end its political disenfranchisement by establishing its own political party in opposition to the two parties of big business. The aim must be not to reform the existing system, for it cannot be reformed. The power of the financial aristocracy must be broken through the nationalization of the banks and major corporations and the expropriation of the vast wealth accumulated through fraud and speculation.



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