

Hands Off Social Security!

In a key initiative for his second term, President George W. Bush and his administration have launched an all-out offensive to “reform” the Social Security system. Bush, the Republican Party and their Wall Street cronies are now desperately trying to convince the American public that the nation’s old age and disability pension system is in crisis and that privatization is necessary to save it. Nothing could be further from the truth. The only crisis facing Social Security is a corporate government determined to rob millions of their right to retirement in order to swell the coffers of the world’s largest financial banks.

The first phase of the administration’s plan calls for the creation of “individual retirement accounts,” deducted directly from workers’ paychecks as Social Security does now. The major difference is that this deducted money will be placed on the stock market instead of a secure government fund. President Bush would like to slash Social Security and instead give the working class a 401k. The Enron scandal and the Wall Street stock market crash of 2001 illustrate the grave dangers working people face when wagering their future on the market.

It is plain to see that if put into effect, the Bush administration’s privatization “reforms” will be disastrous for the millions of working in the U.S. who will depend on Social Security in their old age. At a time when under the current pensions system the majority of those on Social Security are just barely getting by or not at all, privatization represents an assault on our living conditions that will only become worse in the future. The “Baby Boom” generation retiring in the near future will see significant cuts in the benefits promised to them just years ago. For younger workers, privatization will make it effectively impossible retire.

Working people have absolutely nothing to gain and everything to lose if Bush and Congress are allowed to “reform” Social Security. That is why the Bush team will strain every nerve in its attempt to convince us the system is in crisis, and that there is no other option short of privatization. Just as this gang went blue in the face spouting a whole collection of lies in order to build support for the war in Iraq, they are now preparing a similar campaign of lies and distortion to attack Social Security.

Despite the self-interested concerns of Bush, Alan Greenspan and the Wall Street investment banks about the fate of Social Security, the system is far from running out of money – by a long shot. In 2002 alone, in the midst of the stagnant economy and the massive federal budget deficit, the system brought in a \$120 billion surplus. The Social Security Administration’s accountants have projected that the pension’s annual budget should continue making a surplus until at least 2020. After 2020, the SSA reserve fund, which totals more than \$3 trillion would completely cover any shortfall. They estimate that by 2070 the system would again return to making a surplus.

However George W. Bush believes that this money is needed more by the billionaires than by millions of retired workers who spent their lives producing this wealth in the first place. Under Bush’s privatization “reforms” the management fees collected by Wall Street alone would total over \$940 billion over 75 years. Transaction fees charged for making investments with a worker’s pension have not yet even been calculated into

the projected costs of a privatized system. While the total profits to be made by the big financial institutions under privatization are not yet known (or publicly disclosed!) the effects of privatization on the already bloated Federal deficit are.

Privatization of Social Security would create a \$2 trillion shortfall in the first year alone. The Bush tax cuts for the wealthiest 1 percent have already cut off \$1.9 trillion in revenue. The Federal budget is estimated to have a deficit of over \$400 billion in 2005 due to the \$1 billion-plus per week war in Iraq and Bush’s tax cuts - without even considering privatization! Citizens For Tax Justice, a citizen’s advocacy group, using Congressional Budget Office data has estimated that by 2013, before privatization is taken into account, the annual Federal debt will total \$1.1 trillion. The greatest share of this debt will be put on the shoulders of the working class through higher taxes and cuts in services – we pay the vast majority of the taxes, after all.

It was the hard-fought struggles of the American working class that we have to thank for the rights we enjoy today. We have Social Security today because of the men and women who sacrificed and struggled in the miners’ strikes, the Flint sit-down strikes, the Minneapolis Teamsters strike and countless other struggles of the 1930s. We have these rights because our class fought for them – and only by taking up the fight again can our class defend and increase them.

Unlike the period of the post-war economic boom from 1945-1975, the American capitalists are no longer willing or able to give the working class meaningful reforms. Gone are the days of the “New Deal” and the “Great Society”. Instead, the capitalists offer us the likes of Bush and “compassionate conservatism” – or rather war, crisis and privatization served up with G.W.’s affable smirk. In a White House email disclosed to “opinion shapers” in the media,

Presidential aide Peter Wehner wrote that the privatization of Social Security is “one of the most important conservative undertakings of modern times, the Social Security battle is one we can win.” American big business and its government are mobilizing to attack one of the working class’ most important rights. It is now up to our class, led by the labor movement to organize in kind and to rediscover the traditions and methods of struggle with which these rights were won in the first place. We can rely only on our own strength and organizations to stop the attacks of the bosses.

- * Stop Corporate Attacks on Working People!***
- * Hands Off Social Security!***
- * Only the Working Class Can Defeat Bush!***

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