

# URPE Talks on Social Security

*excerpted from various Economy Connection reports in the URPE Newsletter*

## ***Series of Four WUSB Radio Interviews by Morton Mecklosky, Jan. & Feb. 2005: Trudy Goldberg, Paddy Quick, Sumner Rosen, Rick Wolff***

Every Monday morning Morton Mecklosky hosts a series of three talk and music radio shows on WUSB, 90.1FM, Stony Brook. He conducts interviews with insightful questions and a sense of humor. You can tune in through the internet: [www.wusb.fm/website](http://www.wusb.fm/website). During January and February he invited four Economy Connection members to be interviewed about Social Security and related topics: Trudy Goldberg on Jan. 31, Sumner Rosen on Feb. 14, Paddy Quick on Feb. 21, and Rick Wolff on Feb. 28. Trudy and Sumner are members of the National Jobs for All Coalition. *See their website for more great info on Social Security: [www.njfac.org/SSpage.htm](http://www.njfac.org/SSpage.htm).*

Like Mark Weisbrot, none of these speakers think Social Security is in crisis – each provided government statistics to back this up, and each expressed the view that impending Social Security bankruptcy is the Second Big Lie, comparable to using weapons of mass destruction as a justification for invading Iraq. “Both claims fall flat on their face,” Sumner said. “Privatization would create the real Social Security crisis,” Trudy explained. Sumner called the stock market a “crapshoot” for ordinary people.

While there were several common themes to the programs, each speaker had a unique focus: Trudy highlighted the US job situation and the political uses of the anti-Social Security campaign; Sumner gave a historical perspective; Paddy situated the campaign in the context of a general attack on the working class, and Rick added the student viewpoint and Democratic Party politics to his critique of neoliberalism.

One common theme was the dramatic role Social Security has played in reducing poverty, compared to the devastating poverty of the 30s. A related theme is the way in which the economic crisis of the 70s, and the attempts by those in power to recoup their losses since then, have contributed to the attack on Social Security. Rick pointed out that “middle class” expectations are coming undone, as shoppers move to Wal-

Mart. “US workers are deeper in debt than any workers on the planet, and more than at any time in US history.” As Sumner put it, “The fruits of progress are increasingly being appropriated by those who own the means of production.” Sumner explained that the amount of money in the trust fund is determined by both the number of workers employed and by their wages, so creating more jobs at higher wages would be one of the most effective ways to increase the value of the trust fund. Instead, by eroding the reliability of retirement, the campaign is designed to ensure a continuing supply of workers for the low-wage sector, following welfare “reform.”

While speakers mentioned the benefits to Wall Street and the politicians that receive their campaign contributions, a theme that received more attention was the political purpose of the attack on Social Security. “One of the basic reasons it’s being attacked is that it is so successful,” Trudy commented. “They can’t destroy it in the way they destroyed welfare, by claiming the recipients are ‘unworthy.’ Social Security is a universal program, serving nearly everyone. They can’t say all of us are unworthy, so instead they are claiming that the system is financially unsound, that it will fail us.” Sumner said, “The attack on Social Security is an attack on the heritage of the New Deal, the embodiment of the role of government as protector of the victims of capitalism’s powerful ‘creative destruction’; the message is that the only valid role for significant government is the permanent war economy.” Paddy pointed out that both Republicans and Democrats want to roll back social programs. They gutted welfare, are now attacking Social Security, Medicaid will be next, and then Medicare. She placed this attack in a global context. With a few exceptions, such as Cuba, health care and other social programs are under attack around the world. In response to questions about the role of the Democratic Party, Rick thought that the Democrats might be planning to com-

promise on Social Security as part of a political survival plan because they feel Republicans have the votes, and that Democrats are not giving working people much incentive to vote for them.

The threat of socialism was a common argument used by conservatives in the 30s, and Morty asked questions about how socialism fits in today. Paddy would have preferred a retirement system based on socialist principles and human rights, rather than the insurance system that Social Security became, but she also feels that it was an understandable compromise for 1935 and that we should fight to defend it. Sumner noted that Social Security was created in the first place because of the Depression era collapse of capitalism, and that Roosevelt saved capitalism from its own excesses. Sumner feels, however, that we can fight to

make US capitalism achieve a state of full unemployment at high wages, even though it has never happened in the past. Rick said that capitalism has always produced attempts to organize society differently, and that in spite of some false starts in 20th century, reports of the death of socialism are greatly exaggerated. It will be tried again.

Last but not least, speakers talked about fighting back. Young people, already worried about jobs, the war and a possible draft, are being victimized by a propaganda war, and those who are attacking Social Security are trying to separate the old from the young and to replace solidarity with “survival of the fittest.” The common message was that we must overcome political divisions, and workers must organize themselves as they did in the 30s.

### **Mark Weisbrot speaking at the Unitarian Church of Staten Island, March 20, 2005**

Mark Weisbrot, co-director of the Center for Economic and Policy Research and co-author with Dean Baker of *Social Security: The Phony Crisis*, spoke about “What’s Wrong with Social Security?” at the Unitarian Church of Staten Island on March 20. He told an audience of around 50 people that Bush’s Social Security campaign was based on a “huge lie” and that even the trustees of the Social Security trust fund, who base their calculations on predictions of very slow economic growth, feel that Social Security will be fine for the next 37 years. Mark said that any shortages that arise after that period can be fixed by a partial reversal of Bush’s tax cuts for the wealthy. He listed some tricks being used by Bush and friends: accounting tricks, using big numbers to scare people

(one opponent on a Fox TV debate didn’t even know where one of her major figures had come from!), predicting slow growth for the economy but high returns for the stock market, and pretending the trust fund doesn’t exist and that its bonds won’t be paid back by the government. Don’t make any compromises, Mark warned: that would be like saying “Don’t cut off all five of my fingers – just take three!” During the discussion period one audience member said that during the 30s opponents of Social Security tried to instill a fear of socialism. “I was around then and I recall! Wall Street and millionaires hope to benefit by the destruction of Social Security,” she continued, to a prolonged round of applause. See <http://www.cepr.net/> for many great articles on Social Security.

### **Sumner Rosen speaking at Staten Island Town Meeting, April 20, 2005**

“Social Security was the most brilliant and enduring creation of the New Deal, and is now the prime target,” said Sumner Rosen on April 20 at a Staten Island Town Meeting hosted by activist and Wagner College History Professor Emeritus George Rappaport. Under the New Deal the government was considered to be the “protector of those who need protection against the capitalist economy.” Sumner said that “demography is

not destiny,” and that it was foolish to make economic projections 40 years ahead. The real problem, Sumner asserted, is that there are too few workers with jobs at decent pay, and there is too little job security. If we put Social Security at risk, retirees will become another large flow of workers to the low-income labor market. Sumner called the US the “world champ in poverty and inequality” among the developed countries. Those

who are attacking Social Security now, he said, are the same people who promoted the idea of Weapons of Mass Destruction in Iraq. “These are people for whom ideology trumps reality all the time.” The genius of their strategy of promoting voluntary accounts is that it separates workers from other workers, and divides the generations, rather than strengthening a social contract.

The other two panelists, representing diverging viewpoints, were Lois Aronstein, NY State Director of AARP, and Philip Swagel of the American Enterprise Institute and formerly of the White House Council of Economic Advisors. Lois said that Social Security is

strong, and not currently in crisis, but that it needs shoring up for the future. AARP supports increasing the wage base to include richer workers, diversifying investments of the Trust Fund, and encouraging individual accounts above and beyond, but not as part of, Social Security. Philip felt that Social Security is presently handing out empty promises. His solution is to institute progressive indexing in which benefits will grow more rapidly for poorer people, and to slowly increase the retirement age to 70. He is in favor of “voluntary” private accounts – suggesting that people who don’t want them “just say no.”

***URPE Newsletter Summary of Testimony before the  
Committee on Civil Service and Labor of the New York City Council***

**Paddy Quick, Doug Henwood, June Zaccone**

*(See Full Testimony at [www.urpe.org/URPESSTest.pdf](http://www.urpe.org/URPESSTest.pdf))*

“I’m glad you talked about capitalism. Nobody mentions it these days!” said an New York City Council staff person to Paddy Quick. At Michael Meeropol’s suggestion (Michael’s testimony helped pass a resolution to protect Social Security in Springfield, MA), three EC members testified before the Committee on Civil Service and Labor of the NYC City Council on May 12 in favor of a similar resolution. The resolution is still in committee.

A major theme of Paddy Quick’s testimony was the basic difference in values between those who are attacking Social Security and those who want to preserve it. She opened by stating that “The Bush administration’s proposals on Social Security constitute an assault on the basic principle that a society should be structured to ensure a decent standard of living for all of its members.” Quoting Milton Friedman, Paddy noted that ever since Social Security was instituted during the New Deal, rightwing conservatives have been trying to dismantle it, and the same people would also like to dismantle Medicaid and Medicare.

Predicting Social Security’s impending bankruptcy is fraudulent, Paddy said – the second “Big Lie,” similar to Iraq’s Weapons of Mass Destruction – but dangerously convincing: “A large proportion of young

workers, such as the students I teach, have become convinced by the use of this word ‘bankruptcy’ that they will receive *zero* social security benefits when they retire.” Paddy pointed out that many of Social Security’s early advocates were capitalists frightened by the Great Depression – they saw the program as a way to preserve capitalism. They devised an insurance system that doesn’t go far enough. Paddy concluded with suggestions on strengthening Social Security: in addition to refusing any cuts or retirement age increases, make it universal (including undocumented workers and those who do household labor), fund it with general revenue if necessary, and restore the estate tax and use the extra revenue to increase Social Security benefits.

Doug Henwood began his testimony by declaring that “the bankruptcy projections are bogus,” and went on to offer a wealth of data challenging the Trustees’ gloomy demographic and economic projections. “If we’re really facing a 75-year near-depression, we should be having a conversation about that.” He closed with a comparison of the visions of society held by the privatizers and those who support the system as it is: “Behind Social Security is a vision of solidarity between people of all ages, races, and incomes. Do we really want to throw scores of millions of older people

on the mercies of a volatile and pitiless stock market? Or do we want a society in which our elderly are guaranteed that they won't have to decide between buying food and buying medicine?"

June Zaccone, who is on the Executive Committee of the National Jobs for All Coalition, emphasized the relationship between employment and the health of Social Security: "The more people at work and the better their pay, the more funds flow into the Social Security Trust Fund through the payroll tax." Social

Security supports local economies, she said, even during a depression, because people have money to spend. She talked about the impossibility of predicting the condition of Social Security decades into the future, and warned that making unnecessary cuts would be politically dangerous – it would weaken popular support for Social Security. She also questioned Bush's description of the Trust Fund as "worthless IOU's" – if the US can pay back foreign governments, why not US seniors?