

it is the attempt to take down Social Security, driven by Wall Street, that if beaten, can take down Bush instead into “lame-duck” status. LaRouche has made it his movement’s mission in the United States to do so. Bush will not let up on the drive to cut and privatize Social Security, though it is generating a growing backlash.

Republican ‘Defectors’

Reactions to Ways and Means Chairman Thomas’s “dead horse” speech of Jan. 18 show that a group of Congressional Republicans has defected, for now, from the Cheney-Bush-Rove drive, though supporters of privatization themselves. The LaRouche PAC national mobilization, the public proofs that the Cheney-Bush “plan” would make large cuts in Social Security benefits and would mean many trillions in new “off-budget” Federal debt to replace the payroll taxes being diverted to Wall Street, the mobilization of the American Association of Retired Person against the swindle—all have “spooked” these Republicans, who consider the White House privatization campaign a disaster thus far.

Democrats thus have to forget talking about compromises with the GOP “defectors,” and focus completely on the public battle to defeat Bush which made them defect. So far, this has been the order of the day with Democratic Senate leaders attacking Thomas’s nonsense on Jan. 19, and House Leader Pelosi continuing the attack Jan. 20.

The “defectors” include Thomas, Social Security Subcommittee chairman Jim McCrery (R-La.), Rep. Jim DeMint (R-N.C.), Rep. Phil English (R-Pa.), Rep. Bob Simmons (R-Conn.), and Sen. Lindsay Graham (R-S.C.), among others. It is possible they also include the McCarthy-like thug Rep.

Tom DeLay of Texas, the House Majority Leader. With Thomas—who also heads the Joint Committee on Taxation—out front, they are pushing “tax reform alternatives” to Bush’s privatization, and trying to get Democrats on board. DeMint, for example, claims private accounts to replace Social Security could be funded by a new “national sales tax” he’s prepared to introduce, and would be great for the poor. A Georgia Republican, John Linder, is preparing a “national flat tax” bill and claims 55 co-sponsors. These are economic austerity schemes, to raise revenue through extremely regressive taxes while the taxes of corporations, banks, and the wealthiest Americans continue to be reduced. Thomas, on Jan. 18, actually mooted eliminating the Social Security payroll tax in favor of other, new taxes, an idea more dangerous and just as foolish as another suggestion: lowering Social Security benefits for women because they live longer than men.

Some Democratic think-tank denizens led by Gene Sperling, former chief economic advisor under Bill Clinton, are lending credibility to these “defectors” which they do not have with Democratic Congressmen. Sperling, following Thomas at the *National Journal* event on Jan. 18, said, “Bill Thomas was accusing the White House and many Democrats of being stuck in their ideological corners. . . . The Chairman’s comments pointed the way to a compromise that could include many Democrats.”

LaRouche’s strategy is the opposite: Beat Bush decisively on privatization, his number-one policy priority; and then a different economic recovery strategy organized by a different political force, guided by LaRouche, becomes possible. National sales taxes and regressive flat taxes won’t be part of it.

The Real Crisis: Private Pensions

Nothing shows the insanity of “privatizing” Social Security more clearly than the conditions of the nation’s private (corporate) retirement pension plans, whose assets and contributions are invested in stocks and bonds as Bush would do to Social Security. While the Social Security Trust Fund is gathering a surplus of over \$150 billion a year, recent estimates are that private pension funds have a collective \$450 billion deficit. Fed Chairman Alan Greenspan’s low interest rates, and negative stock indexes since 1999, as well as corporate under-funding of the plans, have brought this about. Moreover, plans which offer reliable benefits in retirement—called “defined benefit” plans—are dying out; only 30,000 such plans remain of 130,000 a generation ago.

Faced with the ongoing collapse of the big airlines’ pension plans, the Bush White House is seeking to save the Pension Benefit Guarantee Corporation (PBGC), which has to absorb the bankrupt pensions. Bush on Jan. 10 announced a call for legislation to raise corporate insurance premiums to the PBGC by 58%, and add additional “risk premiums” to that. Congressional experts say this could cause more firms—especially in auto and auto-supply industries—to end their defined-benefit plans and perhaps enforce that by declaring bankruptcy.

Americans’ retirement funds are spoken of as having “three legs”—Social Security, private pension plans, and personal savings. But in 2004, “52% of working America has only one leg—Social Security,” said one expert. And among Americans earning \$25,000 or less annually, 80% now can look forward only to Social Security in retirement.

Thus the folly of taking away Social Security and replacing it with private accounts invested on Wall Street.

—Paul Gallagher