

NORTH COAST



TIMES EAGLE

DECEMBER 2003

'In a dark time the eye begins to see'
~THEODORE ROETHKE

50CENTS VOL25NO4

A BLEAK FINANCIAL FUTURE

BY GWEN BRAKE

The new patriotism calls for Americans to spend themselves into poverty to support the national economy and the War on Terrorism. The normal crass commercialism of Christmas has been raised to high patriotism. Uncle Sam is Santa Claus. The Christmas villain is not the usual Grinch or Scrooge but Osama Bin Laden. Christmas is red, white and blue, like the 4th of July in December.

~MPMc

Imagine using a credit card to pay 32% of your household budget. According to the Congressional Budget Office, one in every three dollars spent by the federal government today, outside of the self-funded Social Security system, is borrowed. America is living on borrowed money. The Bush administration, in just three years, has run up a 32% spending deficit — the largest deficit since World War 2.

As Americans we have a right to expect that Presidents, as stewards of the nation, be responsible for keeping the federal budget fiscally sound. Truman balanced his budget. Eisenhower borrowed 3%. The Kennedy-Johnson administration borrowed 6% but later balanced the budget. The Clinton administration actually generated a budget surplus that we applied to the national debt.

We must ask, "President Bush, how do you intend to balance your budget?" This downward tailspin is bankrupting America's future.

In a recent PBS interview, Peter Peterson, Chairman of the Federal Reserve Bank of New York and a lifelong Republican, talked about our current fiscal dilemma. "We face a moral and fiscal deficit. We anticipate adding \$5 trillion to the domestic deficit over ten years. Don't forget we are running a foreign deficit in trade as well — importing \$500-\$600 billion dollars more than we export every year. The overall national debt could increase to \$14 trillion by 2013. Plus there is \$25 trillion of unfunded liabilities for Social Security and Medicare facing retiring Baby Boomers."

How moral is it to impose a 25%-35% payroll tax on your children to pay for the excesses of a rich minority today? For Dietrich Bonhoeffer, the German theologian, "The ultimate test of a moral society is the kind of world that it leaves to its children."

In the October issue of *The Progressive*, James Galbraith identifies the underlying problem. "The administration's core policy objective in this area is to shield financial wealth from all taxation. Two years ago, estate and income taxes were cut. This year it was capital gains, dividends, and again the top tax rate. Next year, the sunset provisions in these measures will be removed. As things are going, quite soon, taxes will fall mainly on real estate, payrolls and consumption. This is to say that taxes will be paid mostly by the middle class, by the working class, and by the poor."

Let's review the recent Bush Tax Cut Plans I and II. Despite political rhetoric, half of all American taxpayers will get less than \$100 from the President's tax plan over a period of two years. According to Citizens for Tax Justice, after 2004, when the modest tax break for middle income earners expires, 90% of all taxpayers will get zero. Tax reductions for the wealthy, however, in the form of lower taxes on dividends, capital gains, and upper tax bracket cuts will continue long after.

The American Association of Retired Persons *Bulletin* and the Center for Budget & Policy Priorities estimate taxpayers who earn more than \$1 million per year, under the Bush tax plans, will receive an average of \$27,700 in tax cuts. George W. will personally receive \$44,500 and Vice President Dick Cheney will get a check for \$327,000. Sandy Weill, ordinary rich guy and CEO of Citicorp, will receive \$2.3 million of our tax dollars. Where is the morality in this?

Meanwhile, there are 47 million people in this country classified by the federal government as poor or near poor. They will be among the 31% of taxpayers who get nothing from the Bush plan.



RICHARD MILHOLLAND

Look at how some of our tax dollars will be spent in the administration's recent \$87 billion request to rebuild Iraq. Over and above supporting our troops, \$30 billion will be spent to retain 500 experts to investigate crimes by Saddam Hussein's government, \$99 million to build and modernize 26 prisons, \$35 million to train small business owners, and \$150 million to build a free hospital. Imagine a free health care system for the Iraqi people when 41 million Americans have no health coverage?

And why is it still possible for corporations to profit shamelessly in Iraq while young American men and women are killed and wounded for the cause? In previous wars, Presidents and Congress have enacted the Excess Profits Tax on war contractors declaring profits to be un-American at a time of national duress. Little surprise that the major no-bid contractor and the biggest recipient of \$2+ billion of war-related service contracts is the Vice President's former company, Halliburton.

Somewhere along the way, American values have been replaced by cold-blooded corporate greed. In this cash and carry government, we, the people, pay while corporate interests and the rich prosper. Little wonder contributions to the President's reelection campaign are skyrocketing.

In September, David Walker, the Comptroller General of the United States, delivered the bad news. "Our projected deficits are not manageable without significant changes in status quo programs, policies, processes and operations."

What can we, the people, do? We need to make a change. We need to start by inviting this President to join the 9.1 million unemployed Americans. We need to elect representatives at all levels of government who will serve their constituents and not pander to corporate influence peddlers. America is not for sale.

There are three possible outcomes to the economic crisis we are in — we can continue down the path of financial ruin, we can reduce spending or increase taxes. A national panel of economic experts (*The Oregonian*, Oct. 7) offers this uncomfortable scenario: "To balance the budget by 2013, we must have a 27% increase in personal and corporate income taxes, a 60% cut in Social Security, a 73% cut in the defense budget, or a 40% cut in every program run by the federal government, except Social Security, defense, homeland security, and Medicare."

Read it and weep. Our financial future is bleak indeed. Vote responsibly in 2004.

Gwen Brake lives in Ocean Park, Washington. She sent this article to the Times Eagle following its publication in the Chinook Observer. She said it took a month of research to write it.