



The Democratic Party Fiscal Responsibility



“I will bring fiscal responsibility back to Washington by ensuring that new initiatives are paid for without increasing the deficit.”

Senator John Kerry, Democratic Party Presidential Nominee

George Bush has presided over record deficit creation, record job loss, and a record shift of the tax burden onto the middle class. His policies so far, and his plans for a second term continue to benefit the wealthiest few.

Did you know that under George Bush’s Tax Plan:

- ❖ Over 45% of 2004’s tax cuts go to those making an average of \$200K or more per year?
- ❖ Corporations get tax incentives to off-shore jobs? These policies cost Americans 3 million jobs.
- ❖ The Democratically-created surplus has been squandered and turned into a \$500 billion deficit? And that more than half the deficit is attributable to tax cuts, NOT to war, recession or 9/11?

Did you know that George Bush’s plans for a second term will:

- ❖ Give a total of \$824 billion in tax cuts to those with earnings in the top 1%? (average annual income=\$938K)
- ❖ Privatize Social Security by putting our money in individual retirement accounts that put our retirement funds at risk? And, we would still need to pay benefits promised under the current system to current beneficiaries and near retirees.
- ❖ Push through costly, risky plans to have us own our retirement, health care, and education accounts? These plans leave Americans without a safety net if their investments fail.

Bush’s policies have impacted California directly:

- ❖ In 2003, 70% of California taxpayers received less than \$100 in tax cuts.
- ❖ California has lost 349,900 manufacturing jobs under Bush’s watch.
- ❖ Vital program cuts in California include: \$1 billion for homeland security and bioterrorism grants, \$655 million for a program to put more police officers on our streets, and \$606 million for environmental protection programs.

“Some people call you the elite; I call you my base”

-George W. Bush

**George Bush is good for the few
John Kerry will be good for you!**

George Bush's story about tax cuts and recession has changed over time:

- ❖ Bush proposed his first tax cut in 2001, to reduce the Clinton **surplus**, projected to last ten years.
- ❖ The recession officially started in 2001, *after* Bush took office, and *after* he had already proposed his first massive tax cut.
- ❖ The term "Clinton recession" wasn't coined until over a year into Bush's administration and is used by Bush advisers and right-wing partisans, not independent economists. The recession was of short duration, but this recovery is the weakest in our history.
- ❖ *After* it was clear we had a recession, *after* 9/11, and *after* it was clear we were headed toward war, Bush **still** proposed massive tax cuts...this time as an economic stimulus. But Ten Nobel economists take exception to the Bush tax cuts of 2001 and 2003, saying they worsened the long-term deficit outlook and have done nothing to spur job growth.

But John Kerry has specific plans to benefit you and America:

On Taxes:

- Kerry's Plan cuts taxes for 98% of Americans and 99% of businesses, repealing tax cuts only on individuals making more than \$200,000 per year.
- Kerry's Plan gives tax credits for college tuition, 100% of the first \$1,000, 50% of the next \$3,000.
- Kerry's Plan raises the Estate Tax exemption for small business and family farm owners.

On Employment and Trade:

- Kerry's Plan gives payroll tax credits to employers creating net new manufacturing jobs.
- Kerry's Plan invests in new jobs and new technology, especially focused on energy independence and bio-technology.
- Cut costs for small businesses, to create new jobs.
- Kerry's Plan stands up for workers by *enforcing* our trade agreements. This includes enacting a six-point plan to strengthen trade enforcement, including a 120-day review of all agreements and an investigation into human rights abuses in China.

On Fiscal Discipline

- Kerry will return to the principles we followed in the 1990s that gave us prosperity for all income classes — sound budgeting, a tax policy that focuses on the middle classes, and stepping up funding for education.
- Kerry's Plan reduces the number of federal contractors and reduces corporate farm subsidies.
- Over the next decade, Kerry's programs will generate ~\$365 billion more in revenue than they require in spending

"W. stands for 'wrong', the wrong direction for America. I have a plan to restore fiscal discipline, rein in out of control spending, and cut the deficit in half in four years."

-John Kerry, September 7th, 2004

John Kerry and the Democrats Getting Back to Fiscal Discipline and Prosperity

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For more info on fiscal responsibility:

http://sccdp.org/talkingpoints/tax_day_briefing.pdf

<http://www.johnkerry.com/plan/>

<http://www.cbpp.org/4-14-04tax-sum.pdf>