

RELEASE IN FULL

The Democrats Prosperity Plan

These are our commitments to the American people for the next two years, compared with the Republican positions embodied in their agenda or the statements of their Congressional leaders. From the lowest point of the recession, the US has recovered 70% of its lost GDP, compared with 60% for Germany, 50% for Japan, and 30% for the United Kingdom. Now we have to create millions of new jobs by 1) doing more in areas where jobs can grow fastest; 2) making the financing businesses need to grow more available; 3) and making sure Americans have the education and training necessary to fill new jobs quickly.

1. To create new jobs in areas of greatest potential -- small business, clean energy, manufacturing and infrastructure -- we support:
 - a. New tax incentives for small businesses to expand and create jobs
 - b. An expanded clean energy strategy with tax credits to produce more electricity from the wind and sun, manufacture advanced batteries for electric and hybrid cars, and put our construction workers back on the job retrofitting houses and public and commercial buildings.
 - c. An increase in incentives just implemented to create manufacturing jobs in America, and elimination of those that encourage sending jobs overseas, replacing them with incentives to bring U.S. companies' overseas profits home and invest them here.
 - d. A new, fully paid for \$50 billion investment in new or improved roads, railways, and runways.

The GOP Position

- a. They oppose all these measures and filibuster efforts to end tax breaks for moving jobs offshore.
 - b. They propose to cancel remaining job creating elements of the stimulus bill, in spite of the fact that according to the most recent independent study, stimulus investments already made have reduced unemployment 1.5%.
2. U.S. banks have \$1.8 trillion in cash uncommitted to loans and US companies have more than \$1 trillion in uncommitted cash. To encourage banks to lend again and companies to invest again, we support:
 - a. New incentives for small business lending on top of 90% loan guarantees already passed.
 - b. Loan guarantees for clean energy technology companies and for energy efficiency projects.
 - c. Enforcement of our financial oversight bill to discourage risky, non-job creating financial transactions and spur traditional lending to create and expand businesses and increase employment.

The GOP Position

They intend to repeal the financial oversight bill, enabling big banks to return to the casino gambling practices that caused the crisis in the first place. The GOP also says

it will ban future TARP bailouts but that has already been done in our financial oversight bill. Their position makes future bailouts more likely.

3. We must educate and train Americans for available jobs, now and in the future, by increasing enrolment in higher education and good training programs. In the last decade, our economic future has been threatened by falling from first to 12th in the percentage of young adults with college degrees. The US is still leads the world in college going rates but more and more young people are dropping out because of rising college costs and debt burdens.

We Support

1. Full implementation of the sweeping student loan reform law recently passed by Congress and signed by the President, which lowers the cost of loans; allows students to repay the loans as a small fixed percentage of their income, with loan forgiveness after twenty years; and saves \$60 billion by eliminating unnecessary, middle man bank fees.
2. An increase of \$1000 in Pell grants and a tax credit for family college costs of up to \$2,500 per year, fully covering the cost of almost all community colleges to allow 5 million more graduates by 2020.

The GOP Position

They advocate repealing the student loan reform which will raise the cost of college loans, make them much harder to repay, and increase the debt by \$60 billion by restoring the bank subsidies.

Training

In July alone, there were over 3 million unfilled job openings.

We propose

Investment in training for the specific skills required by the open jobs, to be provided by employers, community colleges, or qualified training centers.

The GOP Position

They advocate a huge cutback in job training, while supporting the far more expensive permanent extension of temporary tax cuts to the wealthiest 2% of taxpayers.

4. Get back on the path of fiscal responsibility

We supported temporary spending increases to stop the economic decline caused by the financial crisis, but the long term impact on the debt of these expenditures will be much less because more than 90% of the TARP funding will be repaid and much of the stimulus bill was one time spending to create or save jobs.

We also reinstituted the PAYGO rule which requires new expenditures and tax cuts to be covered by spending cuts or revenue increases. In 2001, the GOP repealed the PAYGO

rule that led to 4 surpluses and paying down 600 billion on the national debt in the Clinton years. As a result, once in control of both Congress and the White House, the GOP doubled the debt of the country between 2001 and September 2008, before the financial crisis.

Besides PAYGO, which will limit future spending, we will implement further steps to get the budget back in balance as the economy recovers and we receive the recommendations of the bipartisan Fiscal Commission to balance the primary budget (everything but interest costs on the debt) by 2015. We also support improvements in health reform with measures that have been proven to lower health costs and improve the quality of care, including incentives to pay fixed fees for annual enrollment in good plans like the Mayo Clinic's instead of paying for procedures and the implementation of "best practices" proven to save lives and money, like common anti-infection procedures in our hospitals, which would save thousands of lives and billions of dollars each year.

The GOP Position

A. First the record:

- a. From 2001 to 2005, they repealed PAYGO, dramatically increased spending, cut taxes, mostly for the wealthiest Americans, and nearly doubled the national debt.
- b. After first supporting it, they opposed the bipartisan Fiscal Commission, apparently because it would expose the flawed accounting in their ideological budgets and it provides Democrats and Republicans an opportunity to work together, not just say no to each other.

B. They propose a budget in which all temporary tax cuts are made permanent, including taxes on upper income Americans; increased spending on defense, veterans and Medicare (while turning more of it over to insurance companies); adding \$60 billion to the debt by repealing the student loan reforms; and cutting \$100 billion a year in all other government programs. That means steep cuts in education and training, food and safety and clean air enforcement, child nutrition, farm supports, environmental protection, workplace safety, medical and high technology research and homeland security. The non-partisan Americans For Tax Policy says the GOP budget actually requires even more cuts to balance the budget by 2020, to the point of virtually eliminating all other federal spending.

C. They also propose full repeal, not reform of health care, putting costs and coverage back in the hands of insurance companies. And they blame health reform for 2010 increases in health insurance premiums. But premiums doubled between 2001 and 2008 when there was no health reform and low inflation. In 2009, in the depth of the recession, before health care reform provided them a convenient but bogus excuse for raising rates (in fact the new law provides tax cuts to millions of individuals and small businesses who will be able to afford to buy health insurance for the first time), insurance companies raised rates sharply, saying rising costs for people already covered required it. Instead, insurance companies dropped 5 and half million people and increased the deficit because many of them had to turn to Medicaid. Meanwhile, as most Americans suffered, the companies used higher premiums to boost executive salaries and to increase their profits a staggering 26%! Don't be fooled: the GOP

wants full repeal of health reform because the law requires 85% of your premiums to be spent on health care, not profits and promotion. We can do more to improve quality and cut costs but the answer is to “mend it, don’t end it.”

The Choice in 2010

The Democrats want to restore the American dream, rebuild the middle class, and give the working poor a chance to work their way into it.

The Republicans want a return to the policies that produced only 2.5 million jobs before the financial crisis (vs. ten times as many, 22.7 million, in the ‘90s), triggered the worst recession since the Depression, threatening the living standards of middle-class Americans and dramatically increasing the number of adults and children living in poverty.

The Republicans say America gave Democrats 21 months to dig out of the hole they dug for eight years and we blew it with too much spending, too much government and too little progress. So America should put them back in the majority, so they can return to the very policies that caused the problem, this time in even more extreme form.

The Democrats say we’ve recovered a higher percentage of national income lost in the crisis than Germany, Japan and Great Britain and are poised to create millions of jobs, with practical policies to do it. We ask for two more years because the hole we were in was too deep to grow out of in 21 months. That would give us four years to prove our ideas before the next election – just half as long to build out of the hole as the GOP had to dig it. This is not the time to repeal financial oversight, student loan reform, or the march to world leadership in green jobs; not the time to put health insurance companies back in the drivers seat by repealing health care instead of improving it. Not the time to give Medicare to the insurance companies and Social Security to Wall Street. Not the time to restore trickle down economics and give big special interests a stranglehold on our future.

The GOP strategy of unfunded tax cuts for the wealthiest, more subsidies to special interests, and massive cuts in health and education, medical and technological research, clean air, safe food, and homeland security won’t work. It didn’t work before. It certainly won’t work on steroids.

The Democratic strategy of achieving job growth in the areas most ripe for it, securing the necessary private financing to create those jobs, training people to do them, and presenting a real plan to restore the budget to balance, will work. It worked in the 90s and it will work again. Give us two more years, just half the time you gave them to get us in this mess, and you’ll see!