

Budgeting for the 99 Percent

Written by John Nichols | The Nation
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America is not broke. But America does have broken priorities.

Americans are waking up to this reality. That's why they are occupying Wall Street, that's why they are protesting in Madison, Columbus, Lansing and other state capitals, that's why thousands marched Saturday in Washington and other cities on behalf of "Jobs and Justice."

"We are in the midst of a major economic crisis. Millions of Americans are jobless, our schools and infrastructure are under-resourced, our kids are being denied real educational opportunities and their futures are at risk. It's no wonder that people are frustrated," says [American Federation of Teachers president Randi Weingarten](#), a featured speaker at the Washington rally that honored the social and economic justice legacy of the Rev. Martin Luther King Jr. while highlighting the ongoing nature of the civil rights icon's struggle. "The march and rally are about hitting the streets and taking concrete action to change our nation to once again become the place where everyone has a shot at the American dream."

The people get it, and unions and activist groups such as [Progressive Democrats of America](#) have been stepping up this weekend with dozens of events to highlight the issues from coast to coast.

But will Congress?

The answer will come, at least in part from the Joint Select Committee on Deficit Reduction, which in coming weeks will have to decide whether to maintain the broken priorities that created

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the current mess—or to reject them and get the country on track toward fiscal stability and economic renewal.

If the bipartisan committee perpetuates the austerity agenda that is being demanded by the Republicans and conservative Democrats—and too frequently references as a touchstone by President Obama—the United States will find itself in a worst-case scenario that combines burdensome debts and stalled growth.

That does not have to be the case.

The [Congressional Progressive Caucus](#) is proposing [a comprehensive plan](#) to get the nation's fiscal house in order while at the same time stabilizing the circumstance of social programs and spurring job growth. The CPC plan outlines \$7 trillion in savings for the federal government and, just as critically, is proposing a new set of priorities that creates jobs, stabilizes communities and strengthens the social-safety net.

“It's way past time to talk big or think big— it's time to govern big and do what needs doing,” says CPC co-chair [Raúl M. Grijalva](#), D-Arizona. “The American people are sick and tired of feeling too few in the government are responsive to their needs. While Republicans dither about cutting corporate taxes and dismantling Medicare, people are losing their homes, losing their jobs and losing their savings through no fault of their own. As a government, we need to look at ourselves and offer the country solutions that match the scope of the problems we face. Anything less is a waste of time.”

The CPC plan combines smart economics with a sound set of priorities.

How so?

It starts by finding the money the United States needs now—not just to balance budgets but to make the right investments for the future:

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Step One: Allow the Bush-era tax cuts to expire and scrap irresponsible estate tax changes, saving \$3.95 trillion over the next decade.

Step One: Engineer a responsible end to the wars in Iraq and Afghanistan, saving \$1.6 trillion.

Step Two: Enact a “Fairness in Taxation Act,” creating a millionaire tax that generates \$872.5 billion.

Step Three: Allow Medicare to negotiate drug prices with pharmaceutical companies, saving \$157.9 billion.

The CPC plan outlines numerous other [proposals for raising revenues](#)—including a financial transactions tax on speculators dealing in “exotic financial products”—and for using the savings to assure the long-term stability of Social Security, Medicare and Medicaid.

Perhaps most importantly, however, the CPC plan recognizes the importance of job creation as a deficit-reduction tool. “While Republican politicians are busy slashing good paying American jobs from our economy, the Progressive Caucus continues to put job creation first with serious proposals to rebuild America,” says CPC Co-Chair [Keith Ellison](#), D-Minnesota. “The most effective way to reduce the deficit is to put America back to work. Creating good jobs, making sure that everyone pays their fair share and protecting Social Security Medicare and Medicaid, are the best ways to ensure that all Americans are put on the path to prosperity, not just the wealthiest one percent.”

To that end, the caucus suggests that the supercommittee should include a job-creation component in its recommendations. To do that, the CPC recommends focusing on five initiatives:

1. Make it in America Again

“We must begin with a strategy to revive manufacturing in the United States. This requires developing something every other industrial nation has—a national plan for manufacturing. When people see the words ‘Made in America’ they know that they are getting the highest

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quality manufactured goods money can buy. We need a policy that reopens our factories and lets Americans do what they do best: produce the highest quality products in the world.”

2. Rebuild America

“With the cost of borrowing near zero, the construction industry flat on its back, and America’s decrepit infrastructure not only a competitive burden, but a threat to lives and safety, there is no better time to launch a major initiative to rebuild America. Create a national investment bank to leverage private capital and ensure that major projects are determined by merit, not by political muscle. Rebuild our half century old roads, bridges, locks and dams, while spurring creation of the roads of the future by connecting and empowering our country with fiber optic cable.”

3. Jobs for the Next Generation

“There is no shortage of work to be done in America and no shortage of workers to do it. One in four teenagers are officially unemployed, including nearly half of young African Americans and Latinos. We are witnessing a generation of crushed hopes, and we are squandering the talent of young Americans. Destructive cuts in public education threaten America’s economic success and we are now falling behind. We must increase federal support for hiring teachers as a catalyst for job creation and immediate and future economic development. We must invest in the finest public education and job training in the world, education is no longer a guarantee of work. Let us make the guarantee of a good American job real for every young person. We should provide direct employment in the public sector and incentives for hiring in the non-profit sector and private sector. In addition, the caucus supports a ‘Train me and pay me’ program which would give stipends to workers and young people who are enrolled in job training programs.”

4. Lead the Green Industrial Revolution

A centerpiece of our economic strategy must be to create good jobs now by capturing the lead in the industrial revolution that is sweeping the world—starting with clean energy, electric cars, and efficient appliances. We need to invest in research and innovation so that America remains on the cutting edge of global technologies. Provide investment incentives to companies to create jobs here at home. Build a modern smart grid that can deliver efficiency and clean energy.”

5. Not Just Jobs— Good Jobs

“American workers want good American jobs, not poverty level wages without benefits that make it impossible to support a family or save for the future. We can start by making sure that middle-class Americans are free to organize and have a voice and a seat at the table again. If corporations can join together to hire an army of lobbyists, working Americans must come

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together and use their strength in numbers to protect the rights of middle class Americans. We must ensure that businesses obey our labor laws and reward those that create good paying American jobs that protect our rights to equal opportunity and equal pay. Programs like TANF ECF have been proven to put people to work. While, we work on building these good jobs, we must ensure the long-term unemployed receive the full assistance and services they need so they can continue contributing to the economy.”

The supercommittee will, undoubtedly explore, and potentially embrace, a lot of bad ideas.

The Congressional Progressive Caucus has come up with the right response to all of them: America is not broke. But it does need to fix some broken priorities.

“With the supercommittee, the Republicans have manufactured yet another budget crisis,” says CPC Budget Task Force Chair [Michael Honda](#), D-California. “We can ‘go big’ and address our budget deficits by allowing the unpaid-for Bush tax cuts to expire and ending our unpaid-for wars on schedule. Anyone who says we need to cut education, cut the social safety net, cut Social Security, Medicaid, Medicare or provide more tax cuts to the rich, is pushing a political agenda, not sound fiscal policy.”

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