



COALITION ON HUMAN NEEDS

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Deficit Reduction Committee Members Were Right to Reject Dangerous Plans

Statement by Deborah Weinstein, executive director of the Coalition on Human Needs

WASHINGTON, D.C. – We applaud members of the Joint Select Committee on Deficit Reduction who stood firm and ultimately rejected cuts that would harm Medicare, Medicaid, Social Security and food stamp beneficiaries. We thank those who opposed still more tax giveaways to millionaires and insisted that fair revenue increases had to be part of any emerging plan to cut the deficit.

A bad plan would have been worse than no plan – and some very bad plans were put forward. These included a \$643 billion Republican proposal that would have resulted in just \$3 billion in tax increases from ending tax breaks on corporate jets. Democrats were right to reject this proposal, which reportedly cut \$216 billion in domestic appropriations. The plan once again targeted programs that serve low- and moderate-income families, such as education, job training, housing and public health, while asking nothing of upper-income Americans.

Likewise, Democrats were correct to take a pass on a proposal by Senator Pat Toomey (R-PA) that contained \$250 billion in net new tax revenue but masked a large low-to-middle-income tax increase, with almost all of the new revenue paid right back out in tax cuts disproportionately benefiting millionaires and billionaires. The plan, which also would have made the Bush tax cuts permanent, amounted to a massive tax **decrease** for those at the top, while those lower down the economic ladder would have paid with higher taxes and cuts to Medicare and other critical programs.

The public overwhelmingly supports closing tax loopholes and increasing taxes on the wealthy and corporations to reduce the deficit. It also opposes cuts that negatively affect Medicaid and Medicare beneficiaries. In a poll this month by [Lake Research Partners/Tarrance Group poll](#) of swing states, 89 percent of those surveyed said they were either strongly or somewhat in favor of closing tax loopholes to make the tax code fairer and 66 percent supported increasing taxes on wealthy Americans and corporations. In contrast, only 19 percent favored making hundreds of millions of dollars in beneficiary cuts to Medicare and Medicaid.

The best way to reduce the deficit is to get people back to work, buying goods and services and paying taxes. The Joint Select Committee should have approved a plan with job creation initiatives in the short term, followed once the economy strengthens by tax increases and spending cuts that spare low-income and vulnerable people from harm. Extending the federal Unemployment Insurance (UI) program for the long-term unemployed is must-pass legislation for Congress before federal UI expires in December. Abandoning the jobless with

unemployment stuck at 9 percent would be unthinkable cruel and a severe blow to the economy.

Regrettably, too many members remained intransigently opposed to such a sensible and productive plan. They insisted instead on service and benefit cuts that would weaken our economy and jeopardize our future, while shifting the tax burden so that the rich benefit even more. Over the coming years, such a plan would leave more of our young people unprepared for employment, more of our population lacking health care and more of our seniors economically insecure. The members of the Joint Select Committee who rejected that approach should feel proud of their success in staving off a dangerous course of action.

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The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies which address the needs of low-income and other vulnerable populations. The Coalition conducts analyses of federal budget proposals and policies to determine their impact on people in need. The Coalition's members include civil rights, religious, labor and professional organizations and those concerned with the wellbeing of children, women, the elderly and people with disabilities. CHN is located at 1120 Connecticut Ave. NW Suite 312, Washington, D.C. 20036. For more information please visit www.chn.org.