

REBUILDING AMERICA

America is literally falling apart. A bridge collapses in Minneapolis at one end of the Mississippi River; levees fail New Orleans at the other. The bursting of a decades-old steam pipe terrorizes midtown Manhattan. A roof caves in on a first-grade classroom in South Carolina's infamous "Corridor of Shame." This is not what America is supposed to be.

America prospered early in its history by making investments vital to its future—such as canal systems and continental train tracks. Presidents of both parties led the way: Lincoln established land grant colleges; Teddy Roosevelt created the national parks; FDR and Truman pushed for the GI Bill that educated the World War II generation; and Eisenhower built the Interstate Highway System. Over the years, America built the world's premier system of free, universal K-12 education. But those huge gains are eroding, and we're losing our competitive edge in the world.

THE CHALLENGE

Conservatives reflexively reject public investment, and tout tax cuts as the cure-all for any problem: economy doing poorly, cut taxes; economy doing well, cut taxes.

The Bush tax cuts went to the wealthiest Americans and the most powerful corporations. They get the money. We get the potholes. Crony companies like Halliburton get no-bid contracts. We get a sputtering economy, as global corporations and investors bet against the dollar, moving investment abroad.

With the total cost of the war estimated to hit \$3 trillion,¹ and with deficits continuing to pile up, rampant tax cutting makes rebuilding our economic foundation more difficult. To conservatives, this is reason to celebrate. "Starve the beast" is their anti-government mantra, but what they are starving are the investments vital to our future—repairing bridges, schools and levees; modernizing water and transportation systems; generating clean energy and guaranteeing world-class education for all.

We're deeply enmeshed in a global economy, but by failing to invest in the future, we are diminishing our ability to compete. We only rank 15th in the world in broadband connectivity. Our high school students rank 22nd in science and 28th in math. Europe plans to generate 20% of its energy from renewable sources, while we grow more and more dependent on foreign oil.

HOT QUOTE

**"Let's get out of Iraq/
and get back on the
track/And let's rebuild
America first."**

MERLE HAGGARD

"America First"

THE CONSERVATIVE FAILURE

The failure is plain to see in the numbers. Conservatives gave \$50 billion in tax cuts annually to millionaires² but refused to spend \$7 billion to give more kids health insurance. They lavished \$14 billion in subsidies on oil companies during a time of record-high gas prices and corporate profits but refused to invest in renewable energy. They neglected to support state colleges, prompting tuition hikes at three times the rate of inflation. They spend \$10 billion every month to send our young to Iraq³ but never fully funded their own No Child Left Behind program.

Meanwhile, conservatives have made our tax system less fair, festooning the tax code with loopholes and racking up staggering debt—primarily to the benefit of corporations and the wealthy. Millionaires got an average \$118,000 annual break from the Bush tax cuts, while middle-income households got only \$740.⁴ Hedge fund billionaires pay taxes at lower rates than their secretaries. Corporations get tax breaks for moving jobs abroad.

Bush and the Republicans passed tax cuts when the economy was good and the budget was in surplus. They passed tax cuts when the economy was lousy, the country was at war and the budget was in deficit. Now they want to make the Bush tax cuts permanent, busting a \$3 trillion dollar hole in the budget over the next 10 years.⁵ They are ideologically incapable of learning from their mistakes.

HOT QUOTE

"I certainly would not claim that tax cuts pay for themselves."

EDWARD LAZEAR

chair of President's Bush's Council of Economic Advisers, June 27, 2006

THE PROGRESSIVE SOLUTION

To remain competitive in the global economy, we need to invest in the foundation of a rock-solid America.

We need to invest in our people: quality, affordable health care and world-class education from pre-K to college.

Guaranteeing health care for all, by offering a real choice of public and private insurance plans, would require \$50 billion of public investment, but would drive down costs and yield the same in savings for families, businesses and state governments.

Expanding early childhood education will ensure kids don't fall behind before they get started. Every dollar invested in early childhood education yields seven times that in savings, with less need for special ed, welfare and criminal justice services.

And no student should be priced out of the college or advanced technical training they need to succeed in the modern economy. Tuition rates, grant aid and loan forgiveness must be readjusted to make college affordable to all who earn it.

We need to pioneer clean energy technology to power the 21st century. The Apollo Project would invest \$30 billion a year for 10 years to rapidly move us into the new energy economy. We would create 3 million jobs and provide families and businesses with affordable, accessible clean energy alternatives. We can pay for it by scrapping the giveaways to Big Oil and making private companies pay for polluting the public sky.

We need to rebuild our crumbling infrastructure, from roads to high-speed rail, from schools to hospitals and from bridges to broadband. A multi-billion-dollar national infrastructure investment bank will provide financing to kick-start rebuilding projects across the country.

To help pay for these critical investments, we need major tax reform that restores fairness. End tax cuts that allow the wealthiest to shirk their responsibilities and shift the burden onto working people. Close corporate loopholes and tax breaks that reward companies for sending jobs overseas. Shut down the scam that allows billionaires to get lower tax rates than their secretaries. Give middle-income families a break with a larger child tax credit and a tax credit to help pay tuition for children in college.

At the same time, we should recognize that in the short run the need to rebuild America is more urgent than the need to line up numbers on the budget ledger. Our kids cannot wait for good educations. Our families cannot wait for health care. Our planet cannot wait for clean energy. Over time, these investments will help pay for themselves. In the meantime, our nation will be put on the path to renewed prosperity.

MAKING THE CASE

You know the challenge we face. You know how conservatism failed. You know how a progressive vision can move us forward. How do you crystallize the argument, deliver the key facts and take down conservative spin? Below are the tools you need to make the case in your community.

Core Arguments

America is literally falling apart, and falling behind in the world, with bridges collapsing, levees failing and schools crumbling...

Proof Points

- Poor road conditions cost U.S. motorists \$54 billion a year in repairs and operating costs.⁶
- America only ranks 15th in broadband connectivity.⁷
- Our high school students rank 22nd in science and 28th in math.⁸
- Europe plans to generate 20% of its energy from renewable sources,⁹ leaving us in the dust at 6%¹⁰ if we don't step up.

Conservatives did nothing to rebuild America, reflexively rejecting public investment, and touting tax cuts as the cure-all for any problem.

- The Bush tax cuts for millionaires will cost more than the federal government spent last year on K-12 and vocational education.¹¹
- One month of Iraq war funding would cover 4 million kids with health insurance.¹² Yet conservatives chose to continue the war and block legislation to expand children's health coverage.
- They lavished \$14 billion in subsidies on oil companies during a time of record-high gas prices and corporate profits but refused to invest in renewable energy.¹³
- Tax cuts were the single largest contributor to the Bush administration's \$2.3 trillion deficit between 2001 and 2006.¹⁴

We need a rock-solid foundation for America to remain competitive in the global economy. Invest in our education and health, modernize our infrastructure and build the new energy economy.

- Investing \$30 billion a year in clean energy will create 3 million good-paying jobs.¹⁵
- Investing \$50 billion to guarantee health insurance for all will produce the same amount in savings for families, businesses and state governments.¹⁶
- Every dollar invested in early childhood education yields seven times that in savings, with less need for special ed, welfare and criminal justice services.¹⁷

Spotlight Stories

“The ground opened up beneath a horse stall in Phoenix. An eighty year old sewer line collapsed in St. Cloud. In Tyler, Texas, the sinkhole was caused by crumbling drainage pipes. In San Antonio, ‘big chunks of rocks were falling off into the abyss that used to be a street.’ In Vallejo, California, the pit split an underground gas line (no danger in that). In San José, a water main ruptured beneath a high school (‘the water may appear dirty,’ officials assured residents, ‘but it is safe to drink’). In Sunnyvale, the burst pipe buckled 300 feet of road surface. In Greensboro the sinkhole swallowed a car.”

From *The Big Con blog*¹⁸

“When second-grade teacher Susan Seki goes to bed at night and hears rain, she hopes the books in her classroom are dry and that her students won’t have to wear galoshes during class the next day. The Lincoln Elementary School in Burlingame, CA instructor finds it hard to teach vocabulary and arithmetic when the school’s deteriorated roof leaks. Placing buckets around the room—something the school has done twice this school year—does not help the learning environment, either.”

From *D.C. Examiner*, November 23, 2007¹⁹

HOT QUOTE

“A strong and sound Federal tax system is essential to America’s future...Without such a system, we cannot render the public services necessary for enriching the lives of our people and furthering the growth of our economy.”

PRESIDENT JOHN F. KENNEDY

April 20, 1961

Conservative Spin

Public investment really means the same old tax-and-spend policies that waste your money.

Progressive Response

- It is time to rebuild America. Shut down tax loopholes, curb wasteful spending and invest in areas vital to our future.

There's no way to do all that investment without running up huge deficits.

- Borrow-and-spend conservatives wasted the surplus, ran up debt and have nothing to show for it. We'll need to clean up their fiscal mess.
- But the investments America needs in energy, education and health care cannot wait, and over time will help pay for themselves. Rebuilding America is our #1 priority.

Stopping the runaway government spending is what will fix the economy.

- We need to spend more on investments in our future and less on the waste, fraud and abuse that marked this conservative era—the bridge to nowhere, the no-bid Halliburton contracts, the \$3 trillion that will be squandered on the war in Iraq.
- But any politician who says we can improve health care, energy and education without public investment playing a role is smoking something.

Pro-growth tax cuts will stimulate the economy and pay for themselves.

- We've had seven years where tax cuts were sold as the solution to every problem. Look at the results: bigger debts and a weaker economy, growing inequality and a declining middle class.
- When conservatives talk about tax cuts, hold onto your wallet. The corporations and the wealthy will have the party; you'll get the bill.

They think they know better than you how to spend your money.

- We the people have the choice on how to invest our public tax dollars. If we want to invest in health care for all, clean energy, modern infrastructure and world-class education, that's our choice.

Public Pulse

Investing in public works has considerable support.

- 67% support “increasing government spending on things like public-works projects to help create jobs.” (*Fortune Magazine, January 2008*)
- 60% believe investment in infrastructure improvements will do more to stimulate the economy than tax cuts. (*Los Angeles Times, January 2005*)

67%

60%

People are more frustrated that taxes are unfair than that they're too high.

- People say that corporations and upper-income people pay “too little” in taxes while middle- and lower-income people pay “too much.” (*Gallup, April 2007*)
- 56% of voters in “battleground” congressional districts say, “I’m mainly frustrated that taxes are unfair—a bigger burden on the middle class than the wealthy.” Only 39% say their “main frustration is taxes are too high, period.”
- 61% want to repeal the Bush tax cuts for either the wealthy or all taxpayers and only 24% them to be made permanent. (*Pew Research Center, October 2007*)

56%

61%

MORE RESOURCES

American Society of Civil Engineers, <http://www.asce.org>

Center for Budget and Policy Priorities, <http://www.cbpp.org>

Citizens for Tax Justice, <http://www.ctj.org>

Pre-K Now, <http://www.preknow.org>

United for a Fair Economy, <http://faireconomy.org>

Reports

American Society of Civil Engineers, “Report Card for America’s Infrastructure.” <http://www.asce.org/reportcard/2005/index.cfm>

MSNBC Bridge Tracker, <http://www.msnbc.msn.com/id/21840954/>

Pre-K Benefits: Fact Sheets, <http://www.preknow.org/advocate/factsheets/benefits.cfm>

Endnotes

- ¹Joseph Stiglitz and Linda Bilmes, "The Three Trillion Dollar War," *The Times* (UK), 23 February 2008. http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article3419840.ece
- ²"The Skewed Benefits Of The Tax Cuts," Table 2, Center for Budget and Policy Priorities, 4 February 2008. <http://www.cbpp.org/2-4-08tax.htm>
- ³"Report: Wars Cost US \$12 Billion a Month," 9 July 2007, Associated Press. <http://www.washingtonpost.com/wp-dyn/content/article/2007/07/09/AR2007070900957.html>
- ⁴"Tax Cuts: Myths and Realities," Center on Budget and Policy Priorities, 16 November 2007. <http://www.cbpp.org/9-27-06tax.htm>, according to estimates by the Urban Institute-Brookings Institution Tax Policy Center
- ⁵"The Skewed Benefits Of The Tax Cuts," Center for Budget and Policy Priorities, 4 February 2008. <http://www.cbpp.org/2-4-08tax.htm>
- ⁶"America's Corridor of Shame," *Toronto Star*, 26 January 2008. <http://www.thestar.com/article/297675>
- ⁷American Society of Civil Engineers, "Report Card for America's Infrastructure." <http://www.asce.org/reportcard/2005/index.cfm>
- ⁸"Broadband subscribers per 100 inhabitants, by technology," June 2007, Organisation for Economic Co-operation and Development. <http://www.oecd.org/dataoecd/21/35/39574709.xls>
- ⁹"International Outcomes of Learning in Mathematics Literacy and Problem Solving," Average science literacy scores of 15-year-old students, by country: 2000 and 2003, National Center for Education Statistics, December 2004. <http://nces.ed.gov/pubs2005/2005003.pdf>
- ¹⁰"Europe Sets Ambitious Limits on Greenhouse Gases," *New York Times*, 10 March 2007. <http://www.nytimes.com/2007/03/10/world/europe/10europe.html>
- ¹¹"U. S. Energy Consumption by Energy Source, 2001-2005," Energy Information Administration, July 2007. <http://www.eia.doe.gov/cneaf/solar/renewables/page/trends/table1.html>
- ¹²"The Skewed Benefits of Tax Cuts," Center on Budget and Policy Priorities, 4 February 2008. <http://www.cbpp.org/2-4-08tax.htm>
- ¹³"State Children's Health Insurance Program (SCHIP): Reauthorization History," The Kaiser Commission on Medicaid and the Uninsured, January 2008. <http://www.kff.org/medicaid/upload/7743.pdf>
- ¹⁴Friends of the Earth, <http://www.foe.org/new/releases/January2006/exxontaxbreaksfactsheet.pdf>
- ¹⁵"Tax Cuts: Myths and Realities," Center on Budget and Policy Priorities, 16 November 2007. <http://www.cbpp.org/9-27-06tax.htm>
- ¹⁶"New Energy for America: The Apollo Jobs Reports, Good Jobs & Energy Independence," Apollo Alliance, http://www.apolloalliance.org/downloads/resources_ApolloReport_022404_122748.pdf
- ¹⁷"Health Care for America Would Save Billions," Economic Policy Institute news release, 15 February 2008. http://www.sharedprosperity.org/hcfa/news_release.pdf
- ¹⁸"Fact Sheets: The Benefits of High Quality Pre-K," Pre-K Now, <http://www.preknow.org/advocate/factsheets/benefits.cfm>
- ¹⁹The Big Con blog, Campaign for America's Future, <http://www.ourfuture.org/blog-entry/sinkingfeeling-chapters-iv-ixii-doh>
- ²⁰Mike Rosenberg, "Leaky school roofs may be plugged," D.C. Examiner, 23 November 2007. http://www.examiner.com/a-1064180-Leaky_school_roofs_may_be_plugged.html