

SRV DEMOCRATIC CLUB NEWSLETTER MARCH 2011

Presidents Corner

My ramblings last month drew some response; one person called me because he found my writing somewhat disturbing and another sent me a long email essentially agreeing with what I had written (but with some suggested corrections. The person who found my writings disturbing felt I was attacking those who were making a comfortable living (on the order of \$250,000 for a family). He explained that for their situation it was a struggle (with some very valid reasons). It is not the upper middle class that I was referring to in my assertions, it is the wealthiest 0.1 to 1 % of the income earners I was comparing. They have definitely done well as a group over the past 30 years. According to Mother Jones' analysis of Congressional Budget Office data the richest 1% for income earners have seen a 120% increase in average earnings during this period (average household income approximately \$1,800,000) while the bottom 60% of income earners had not seen much if any increase in average household income over the same period (average household earnings approximately \$50,000). It is this inequity of wealth that I believe is very destructive to most of us in this country. For more information go to motherjones.com and read "Plutocracy Now".

The second response I have included below under Member Editorials below. I have also attached "Some additional Food for Thought" at the end of this newsletter that drives home some of the inequities I'm concerned about. Although the US has one of the highest Corporate Tax rates in the world we find that many Mega-corporations are paying little (or in a number of cases) no corporate tax and they through the Republican party are trying to keep it that way at our, the average wage earner's expense. A good example of what I am talking about is happening today in Wisconsin and other republican controlled states. Break the unions and you can break the Democratic get out the vote machine. When are people going to wake up and see that class warfare is going on today in the US and we the working class are losing.

If the current Republicans in the Congress had their way, almost every social program developed, over the past 80 years, to help the poor and less fortunate will be cut so that they become meaningless. They are unwilling to cut defense, want to continue and expand tax cuts for big corporations and the wealthy while at the same time pushing us to accept cuts in Social Security. A poor population only serves to benefit the super rich.

When I lived and worked as a R&D Manager in Denmark in the early 1980's I was struck how much the company was spending on R&D. They knew that was how they were going to remain competitive in the future. It turned out that the US was lagging in their funding of R&D. At the time, the Asian companies were investing an average of 8 % of their revenue in R&D while the Europeans were investing about 6%. Where were the US companies, they were spending less than 4 %. Those differences show today as we see the US losing the battle for our economic future. The reason I bring this up is that I heard Gavin Newsome quoting similar figures for our investment in infrastructure in our country. Today the Chinese spend about 8 % of their GNP on infrastructure, the Europeans 6 % and the US about 3.6 %. That does not bode well for our future. Sometimes I feel that we, in the US, are behaving like spoiled teenagers, spending freely and not investing in the future.

These feelings are what drive me to get involved and to try to make a difference. Our children's and grandchildren's future is at stake. We, working together, might be able to make a difference.

Have a good month and enjoy the beauty of spring that we are seeing all around us. Just remember they are still digging out of snow back east. I hope to see many of you at our dinner meeting this month. With the recent attacks by the Republicans in congress on woman's reproductive rights our speaker Melody Weintraub, Chair of Planned Parenthood Affiliates of California, should provide us with a timely and informative talk on what these attacks really mean to all of us.

As a parting thought I finished reading Norman Solomon's most recent book "Made Love- Got War" and want to share with you the following excerpt from a Martin Luther King speech that is as timely today as it was 35 years ago.

"We must rapidly begin the shift from a thing-oriented society to a person oriented society . When machines and computers, profit motives and property rights, are considered more important than people, the giant triplets of racism, extreme materialism and militarism are incapable of being conquered." Martin Luther King, Beyond Vietnam speech, April 4, 1967.

Regards,

Jim Donnelly
President, SRVDC

Member Editorials

Each month we invite you to present your views on about any subject you wish to discuss. This is an important way to understand what are major concerns for our members. Surely there are things going on that make your blood boil. Let it out, express your opinions here.

The following is a response we received about the article in the President's Corner last month. George gave us permission to reprint his email for which we are very appreciative.

Hi, Jim. This is George Fulmore of Concord. I just read your newsletter and was very happy to see your understanding of Social Security and the federal budget and the percentage of military stuff in our total federal budget. There is so much misinformation going around.

Social Security, of course, is paid for by the payroll tax. It does not really belong in discussions of the federal budget/deficit/debt. So, the federal budget is about \$3.7 trillion, of which the payroll tax brings in about \$1 trillion. If we eliminate the payroll tax, we have a budget of about \$2.7 trillion and of this, I think about 50+% is to pay for the wars, the military, the military-industrial complex, the other "national security" stuff, interest on the federal debt, etc. That is how I get to the 50%+ number. I don't know if I can get to 60%. A link that I like that talks about all this is: <http://www.warresisters.org/files/FY2011piechart.pdf>

There is a ton of talk in congress right now, of course, about the deficit and debt. All the Republican talk about not having a revenue problem, but only a spending problem, is really a lie. Below is a paper I've done on subject:

U.S. Federal Debt A “white paper”

By George Fulmore, Concord, CA

February 1, 2011

The purpose of this paper is to provide an overview of the basics of the current U.S. federal debt. Material for the paper comes from various sources.

The Basics:

\$10 billion - The amount, on average, that our federal government spends every day of the year.

\$6 billion - The amount, on average, that our federal government collects in revenue every day of the year.

\$4 billion - The amount, on average, that our federal government adds to its total debt and has to borrow every day of the year.

\$1.5 trillion - The current projected annual deficit for the federal government, due to the difference between its annual spending and its annual revenue.

\$14 trillion - The total federal debt at the beginning of 2011.

\$15.5 trillion -The total federal debt projected for the end of 2011.

\$17 trillion - The total federal debt projected for the end of 2012.

\$45,000 - The debt, per every U.S. resident, resulting from the total federal debt at the beginning of 2011.

\$5,000 -- The approximate debt to be added each year to the obligation of every U.S. citizen, if the projected annual federal deficit of \$1.5 trillion, per year, continues.

The Entitlements:

The “entitlements” of Social Security and Medicare have little or nothing to do with the federal debt. The federal payroll tax is the dedicated funding source for these programs.

Social Security, which has a Trust Fund that currently holds about \$2.5 trillion, has not added a dime to our federal debt. Each year, this Trust Fund receives approximately \$200 billion in

interest payments. Its annual balance increases or decreases because of this, plus or minus any annual surplus/deficit in the payroll tax revenue.

Medicare also is funded by the payroll tax, but it is also supplemented by premiums paid for Part B and Part D by Medicare beneficiaries. And, it receives funding from the general fund of approximately \$200 billion per year.

The Options:

Spending Reductions: Significant reductions in federal spending are not likely in the near future. Too much of the federal spending is connected with “sacred cows.” Many do not want reductions to costs connected with “national security.” Many do not want reductions that would eliminate federally funded jobs, especially in U.S. communities that heavily depend on jobs with the federal government.

Increased Revenue: It is said that federal tax revenue is at a 30-year low, when compared with the nation’s overall economy. Revenue from corporations has been reduced significantly. People in the U.S. have been led to believe that they are paying “enough” in federal taxes. But they are not. Most in the U.S. suffer from “deficit denial.” Most in the U.S. do not realize the magnitude of the current annual federal deficit.

Conclusion:

Implementation of the recommendations in the “THE NATIONAL COMMISSION ON FISCAL RESPONSIBILITY AND REFORM (of December 2010),” also known as the Simpson-Bowles Deficit Plan, offers a comprehensive set of suggestions for federal financial reform. This document appears to be the best hope we have to turn our “deficit denial” around. The document can be found via the following link:
http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomentofTruth12_1_2010.pdf

Continuation of our annual federal deficit of \$1.5 trillion per year is unsustainable. This requires us to, essentially, find a way to take out and maximize a new credit card every year just to pay our bills. Every year the per-person debt for U.S. residents increases by approximately \$5,000. Again, the continuation of our annual federal deficit of \$1.5 trillion per year is unsustainable.

We cannot “grow” our way out of this problem. Reducing our federal spending, even by hundreds of millions per year, will not solve our problem. Only a combination of a reduction of federal spending over time, plus significant increases in federal revenue soon, will solve our problem. Again, the recommendations from the Simpson-Bowles Deficit Plan document would appear to be our best hope. These should be implemented by the end of 2011, if at all possible.

Contra Costa Democratic Party

The Contra Costa Democratic Party (DPCC) also called the Central Committee is looking for associate members. The Party meets in Martinez at 7:30 PM on the third (3rd) Thursday of each month. Annual dues are \$24 . The Party has a lot on their agenda this year. Governor Brown is going the need a lot of help in getting his tax proposal on the ballot and passed. The Party has plans for registering more Democrats to Vote By Mail. People who vote my mail are almost twice as likely to vote in an election and we need all of the Democratic votes we can get to move forward our Democratic principles. We are also planning in the next couple of months, a Health Care forum presented by our elected officials to help us better understand the Health Care Bill and the challenges by the Republicans in congress.

Come join us for our next meeting and see if you like what we are doing. For more information call Jim Donnelly @ 925 570-9289

Reports from our Elected Officials

Congressman Jerry McNerney

McNerney Earns 100 Percent Score for Energy, Environmental Voting Record

March 2, 2011

Washington, D.C. – Congressman Jerry McNerney (CA-11) announced today that he received a 100 percent score in 2010 from the League of Conservation Voters (LCV), which evaluates the voting record of Members of Congress on environmental, public health and energy issues.

“As a clean energy engineer, I know how important it is that we invest in new energy technology, lessen our dependence on foreign oil and fight to preserve our clean air and water,” said Rep. McNerney. “Our national security and our economic future depend on moving towards a clean energy future and preserving the health and well-being of our environment. I’m glad to stand up for these important issues.”

Before being elected to Congress in 2006, Rep. McNerney spent over two decades working in wind energy and smart grid technology, including on the Altamont Pass windmills that overlook his congressional district. He now serves on the Subcommittee on Energy and Environment as part of his tenure on the Committee on Science, Space, and Technology. He has made clean energy policy a top priority, and has authored initiatives to invest in green job training programs, improve our electrical grid and increase infrastructure for electric vehicles.

The nonprofit League of Conservation Voters is a national organization that works to turn environmental values into national priorities. The LCV has published a scorecard grading the voting history of Members of Congress since 1970, the year the organization was founded. The scores are based on votes on energy, global warming, environmental and conservation issues. The full scorecard can be viewed at <http://www.lcv.org/scorecard/>.

Congressman John Garamendi

Rep. Garamendi's Statement to California Assembly Water Committee Exposes Danger of House GOP Spending Bill on CA Water Access

WASHINGTON, DC – Congressman John Garamendi (D-Walnut Creek, CA), a member of the House Natural Resources Committee and a former Deputy Secretary of the U.S. Interior Department, today submitted a written statement to the Assembly California State Assembly Committee on Water, Parks and Wildlife for their "Oversight Hearing on Risks to California's Water and Wildlife from Proposed Reductions and Eliminations of Federal Funding."

"Ultimately, these reckless proposals would harm California. Jeopardizing the restoration of the Sacramento-San Joaquin Delta, stopping implementation of the San Joaquin River settlement, disrupting the Klamath River agreements and attempting to delay the Bureau of Reclamation's water efficiency efforts is not in the interest of California and its people," Congressman Garamendi said in his statement.

Congressman Garamendi's complete statement is below:

"Dear Members of the California State Assembly Committee on Water, Parks and Wildlife:

"As a member of the United States House of Representatives Committee on Natural Resources, and former Deputy Secretary of the United States Department of the Interior, I believe H.R. 1, the House Republican Continuing Resolution, would jeopardize the restoration of the Sacramento-San Joaquin Delta, stop implementation of the San Joaquin River settlement, disrupt the Klamath River agreements and attempt to delay the Bureau of Reclamation's water efficiency efforts.

"Developing California water policy requires sound science, careful planning and study, and reasoned debate.

"However, H.R. 1 can have severe impacts on the California economy and harm the state's ability to determine its water future.

"Section 1475, authored by Congressman Devin Nunes, of H.R. 1 defunds the critical biological opinions set forth in the 1986 Coordinate Operations Agreement, which are important elements of the plan to provide California with a balanced water strategy.

"Section 1475 would disrupt the legal process and could once again force judicial action related to the Endangered Species Act and fish in the Sacramento-San Joaquin Delta, halting statewide water distribution and imperiling thousands of California jobs, including in the agricultural and fishing industries dependent on reliable access to water.

"Moreover, Section 1475 also disregards eighteen years of litigation that successfully brought an end to a longer conflict over water rights at the San Joaquin River. A settlement was reached that is agreed to by almost everyone, including local officials, fisherpersons, farmers, environmental leaders, and water districts.

"Amendment #296, authored by Congressman Tom McClintock, to H.R. 1 would prohibit funds from being made available to implement the Klamath Dam Removal and Sedimentation Study. This would disrupt agreements among dozens of stakeholders to ensure salmon restoration and ensure water and power availability to farmers in the region.

"Related, amendments #286 and #289 also written by Congressman McClintock would have defunded the ability of the U.S. Bureau of Reclamation to implement Title XVI Water Reclamation and Reuse Program and WaterSMART grant program. Both of these programs are essential to more efficiently using our limited water supplies in California and throughout the Western United States.

"Ultimately, these reckless proposals would harm California. Jeopardizing the restoration of the Sacramento-San Joaquin Delta, stopping implementation of the San Joaquin River settlement,

disrupting the Klamath River agreements and attempting to delay the Bureau of Reclamation's water efficiency efforts is not in the interest of California and its people.

"Thank you for your attention to this critical issue. Californians must be made aware of the drastic, disturbing, and far reaching consequences of H.R. 1 on our state's natural resources, economy and way of life.

"Sincerely,
JOHN GARAMENDI

State Senator Mark DeSaulnier

DeSaulnier explains budget tribulations to constituents

Tuesday, March 08, 2011

From Martinez News-Gazette

For those who missed Senator Mark DeSaulnier's recent town hall meetings and Friday's Comcast rebroadcast, he hosted sessions to explain the current state of California's budget woes and the solutions proposed by Governor Jerry Brown to his constituents.

Explaining that the Governor's plan calls for a reduction in state spending by \$12.5 billion, DeSaulnier said the state could no longer rely on temporary solutions and those that fail to materialize.

Absent permanent solutions, he said, the state's structural deficit will hover around \$20 billion well into the year 2016. As it stands now, the 2011-2012 budget is facing a \$28.1 billion shortfall.

Since personal income has seen a 31 percent reduction since January of 2008, it deeply impacts the 53 percent in total General Fund revenues received via personal income tax. Likewise, comprising 10.2 percent of General Fund income, corporate revenues have seen a 22 percent reduction over the past three years and sales taxes, responsible for 30.4 percent of California's income, have dropped by 22 percent.

DeSaulnier drew attention to what he saw as solutions that made the future deficit worse, such as borrowing from local governments, selling state buildings, the sale of future tobacco lawsuit funds and deferrals of state mandates.

He agreed with Brown's plan to slash expenditures, achieve a restructuring that calls for a "state-local public safety realignment proposal to permanently transfer functions and

revenues to local governments," said DeSaulnier and supports the passage of tax continuations on the June ballot. He also stressed that "California's initiative process poses challenges to governance" and knocks the fact that the state is financially responsible for services delivered at the local level.

The senator has proposed legislation that would create a Constitutional Revision Commission

and require pay-as-you-go requirements for initiatives and constitutional ballot measures. DeSaulnier also said he is working on mandates for multi-year budgeting and performance-based budgeting, and is in favor of term limits for future members of the Legislature.

A copy of DeSaulnier's presentation is available at his senate website, <http://dist07.casen.govoffice.com>.

Assembly Woman Joan Buchanan

Assemblywoman Joan Buchanan is very active in the Assembly participating in a number of committees and sub-committees. This is where the work gets done. Below is a list of the committees Joan sits on.

Chair, Budget Subcommittee No.4 on State Administration

Budget Subcommittee No.6 on Budget Process, Oversight & Program Evaluation

Committee on Accountability and Administrative Review

Primary jurisdictions are identifying savings and efficiencies in the management of state government, reviewing and studying the implementation, operation, and effectiveness of state programs and agencies.

Committee on Budget

The Budget Committee's jurisdiction is the Budget.

Committee on Education

Primary jurisdictions are education generally, certificated employees of schools, school finance, and school facilities.

Committee on Transportation

Primary jurisdictions are Transit Authority, California Highway Patrol, vehicles, aircraft, and vessels; operation, licensing and registration, and drivers licenses.

Committee on Utilities and Commerce

Primary jurisdictions are public utilities; the California Public Utilities Commission; the California Energy Commission; the California Independent System Operator; Electricity Oversight Board; energy companies; common carriers; electricity; alternative energy development and conservation; natural gas; wireless, wireline and cable communications; international trade; Women and Minority Business Enterprises; and tourism.

Select Committees

Select Committee on Government Efficiency, Technology and Innovation

Commissions

Advisory Commission on Special Education

Early Learning Quality Improvements System Advisory Commission