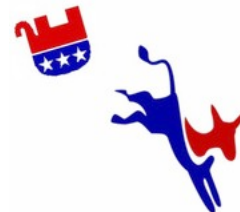


31st Democrats Newsletter

Meetings are held at the Marion Grange, 27725 Sumner-Buckley
Hwy E, Buckley

www.31stdistrictdemocrats.org



(Organized by R. Craig Sanders-email: z1n45rgiarc@netscape.com and Patricia Szot-email: szot.patricia@gmail.com)

Monthly Meeting-Dec 15th

Agenda

Re-organization of the 31st LD Democrats

Reorganization meeting

Upon the request of the State Democratic Organization, we are having the reorganization meeting in December at our regular monthly meeting (Dec 15th). Every two years each LD elects the members of the Executive Board (a list of the positions and descriptions can be found on the 31st LD website (see above for address) under Executive Officers).

The re-organization meeting for 2010 will be different from previous years because new rules have come from the State Central Committee. The following is an outline of the proposed meeting with the new rules:

- 1) Sign-in is required at check-in.
- 2) Eligible voters shall be limited to PCOs elected during the August 17th, 2010 Primary.
Eligible voters will be issued ballots or piece of colored paper to denote a PCO. Voting members will be denoted by a different color paper.
A 50% + 1 majority of members present and voting is necessary to approve any vote unless otherwise noted. NO proxies.
- 3) The meeting shall be called to order by the Temporary Chair.
The Temporary Chair shall preside until the election of the new Chair.
- 4) The Temporary Chair shall review the Proposed Rules with the Body.
- 5) The Body shall vote to approve the meeting Rules.
- 6) **ONLY** PCOs that were elected at the August 17, 2010 Primary will vote on the following positions on the Executive Board:
 - Chair
 - King County Vice Chair
 - Pierce County Vice Chair
 - Male Delegate to the Washington State Democratic Central Committee
 - Female Delegate to the Washington State Democratic Central Committee
 - King County Central Committee Man
 - King County Central Committee Woman

Pierce County Central Committee Man
Pierce County Central Committee Woman
Pierce County Central Committee Man/Woman

7) Voting 2010 31st LD Democratic members + PCOs that were elected at the August 17, 2010 Primary will vote on the following positions on the Executive Board:

Secretary
Treasurer
Newsletter Chair
Programs and Issues Chair
Membership and Public Relations Chair
PCO Recruitment and Relations Chair
Voter Registration Chair
Ways and Means Chair
Outreach Communities Chair

8) **ONLY** PCOs that were elected at the August 17, 2010 Primary will vote on changes in the By-Laws.

The following are the changes made to the By-Laws that will be voted on at the re-organization meeting in December:

A) Amend Article III of By-Laws to read-

“Annual dues shall be \$31 per individual member. The Chair may reduce dues for good cause with a minimum of \$5 per individual member.”

B) Amend Article II, Section III of By-Laws to read-

“Any other person may become a member by declaring to be a Democrat on the membership form and by paying their membership dues in Article III”.

C) Amend Article V, Section I of By-Laws to read-

“The organization will meet at least once every two months provided a call has been made either by mail or by electronic mail (email) at least seven days in advance”.

D) Amend Article II, Section IV of By-Laws to read-

“31st Democrats will not share personal or biographical information collected for membership in the organization such as name, address, phone, or email unless required by law”.

E) Amend Article V, Section III of By-Laws to read-

“The annual endorsement meeting shall be held in accordance with State Central Committee Democratic party guidelines”.

F) Remove the following statement “The district may engage in early endorsement” from Article V, Section III.

G) Add the following statement “The district may engage in early endorsement” to the end of Article VI, Section II.

H) Concerning Article IV, Section III: Add a new article #3 (and renumber following sections) to Article IV which would read-

“The membership shall elect three representatives to the Pierce County Democratic Central Committee (PCDCC). At least two of those representatives must be precinct committee officers (PCO) and, when practical, the positions should be divided between man and women”.

Wendell Potter, the Aetna whistleblower who exposed the truth about Health Insurance companies, will be at Seattle's Town Hall on Wednesday Dec 8th discussing his new book entitled "Deadly Spin". Tickets are \$5. You can purchase tickets at the door or on line at Seattle Town Hall.

Every article, commentary or letter to the editor represents the views of the author.

Flying in this age—

Recently Becky Flarity, a PCO here in the 31st went flying. She chose to have the "pat down" instead of the body scanner. After her experience she wrote 2 letters to the editor, one to the TNT and the other to her hometown newspaper in Texas. Becky gave us permission to re-print her letters.

TNT: Air security: Pat-down felt like molestation.

I am writing this from an Alaska Airlines flight from Seattle to Las Vegas. Just a couple of hours ago, I was asked to step right here, and not told that it was an X-ray line. But I knew when they showed me the foot pattern and told to hold my hands up that they wanted to see me undressed.

I opted for the pat-down in a private room, which took about 15 minutes. I had been patted down before, when I was flying with a cast on one foot, but this was definitely a different type of pat-down. The woman actually put her hands inside my pants. And she touched me in ways that were astonishing, to say the least. I was in tears following.

I continued with my flight, which was in a first-class seat. Breakfast was served and, lo and behold, they gave me real silverware—a butter knife, fork and spoon, all glistening in the metallic glory.

The last time I flew first class was after 9/11, and they gave me a plastic butter knife because the real one was unsafe. That was several years ago, and now we have our metal butter knives restored to first class.

There is hope that we can once again see a day without the prno scanners and the molestations. For if the metal butter knife can be restored, so can our Fourth Amendment rights, right?

Texas Newspaper:

I am a long-time business traveller. The rules for passing through airport security have consistently tightened. We are now to the point of hysteria. I am sure that you have heard about the new machines that are deployed in airports that take images of us as if we had no clothing. What you may not know is exactly what happens if you decline the x-ray body scanner for health or privacy reasons.

During the Thanksgiving holidays, I opted out of the airport x-ray machine at Seattle Tacoma airport. I did not want an image of my unclothed body bandied about. After passing through the metal detector, which did not alert, I was then patted down by a woman who slid her hands underneath the wire of my bra. She lifted and separated my breasts. She touched my genital area six times with deliberate motion and pressure. If you are a female, you will feel penetration with this form of pat down. She inserted her gloved hand beneath my underwear, and her finger slid into the crevice of my buttocks. After the search, she then swabbed her gloves and put the swab inside a machine that checks for explosive residue. What is the point in performing an explosive analysis when I have just undergone the most intrusive pat down ever?

This is not about safety. This is about harassment. Why are we harassing people for simply traveling?

Do the people of this country truly believe that strip searching people is acceptable? If we allow this at the airport, why would it not be added other places? Train stations, courthouses, schools? When are cavity searches coming? What about more powerful body-cavity x-ray machines?

How can we say we are a free country if we cannot travel in public places without state-sponsored harassment? Have not the terrorists won?

This is not about red states or blues states. Tea party or coffee party. It is about our freedoms and rights as American citizens to move about our country without hysterical overreach of our government. It is about upholding the Bill of Rights of the Constitution of the United States of America.

I encourage you to write your Congressman if you do not want to see this happen to yourself or to your loved ones.

Added note from Patricia Szot

As Becky stated above these new “body scanners” are actually X-ray machines. The maker of these X-ray machines will not divulge the amount of **RADIOACTIVITY** you will be exposed to. That is what an X-ray machine is-Radioactivity-why do you think the technician at the doctors office goes behind a special wall to take those pictures. Since the machines have been introduced at airports, TSA has agreed that Airline pilots and flight attendants do not need to go through them. Why do you think this has been lifted for people who are constantly flying? My guess is that you are exposed to more radioactivity then a typical X-ray, and exposing pilots and attendants to this amount of radioactivity on a regular basis is dangerous. So at this point, when you fly you have the option of cancerous X-ray exposure or molestation. Great choice! Feel like flying for the holidays now?

Re-Set The Seattle Times

by Dwight Pelz

The Mid-Term Elections are behind us. The Legislature is set to convene in January, to write the most destructive budget in the history of our State. Funding for higher ed, K-12, prisons, and the poor will be cut.

Through the 2010 Election, and now the run up to the Legislative Session, we have heard endlessly from the Seattle Times Editorial Board about their campaign to “Reset Government”. **Their basic premise is that government is too fat, public employees are over-paid, the state budget can be balanced without harming education, and that the wealthy need more tax breaks.**

The Times writes:

“Government at all levels needs to reset itself — to adjust its size and cost downward, to relieve pressure on the shrunken private economy. Government must be reset. The old way of doing things is dead, or should be. . . .The editorial page will also explain to readers and lawmakers why government needs to be reset. We will examine the need for fiscal responsibility on the local, state and national level.”

The Times does not ask the question: **“How much government do we need in America and Washington?”**

The Times thinks it is asking the question: **“How much government can we afford in America and Washington?”**

But in fact the Times is asking: **“How much do we collect in taxes, and how can we buy as much as possible with that money?”**

And frequently the Times will say, **“Taxes on the wealthy are too high and should be cut.”**

Ask the Wrong Questions, Get the Wrong Answers

Let me be clear that I am speaking to the editorial policies of the Seattle Times. The Times is a good newspaper, and this past election season its reporter did a professional job of covering the political campaigns, proving to be “Fair and Balanced” on all races, including the ones the editorial board supported or opposed. Democrats agree with the Seattle Times editorial board on several key issues, such as preserving a woman’s right to choose, support for Wall Street reform, and ending the wars in Iraq and Afghanistan.

The Seattle Times is not alone in asking the wrong questions, and drawing the wrong conclusions about the realities of the American economy in 2010. The paper is in “good company” if you want to include FOX News, the Tea Party Movement, Tim Eyman, virtually all Republican members of Congress, many Democratic members of Congress, and all of the neo-con Think Tanks.

Again, the Seattle Times is asking the question: **“How much do we collect in taxes, and how can we buy as much as possible with that money?”**

That is the wrong question. The two most critical questions facing our nation are:

What must we do to maintain the US as a great middle class nation?

What must we do to build an American Economy that can compete in the Global Economy?

Will we Remain a Middle Class Nation?

The Times recently published an illuminating column from Nicholas D. Kristof, entitled “**Nation's Income Inequality an Insult to Banana Republics**”. Kristof argued that the income inequality between the very wealthy and the middle class in the US has grown to a level that would embarrass many South and Central American nations.

In fact, the share of income held by the top 1% was as large in 2005 as in 1928 – which was prior to Social Security, unemployment comp, Medicare, and the great post WWII growth in our middle class. Due largely to the Reagan and Bush tax cuts for the very wealthy, the aggregate share of after-tax income held by the top percentile increased from 7.5% to 14% between 1979 and 2005. From the late 1970s to today, more than one third of the total income growth in the U.S. was captured by the top one percent of the population, whereas the bottom 90 percent enjoyed just 15.9 percent of the income growth.

Kristof writes:

“The best data series I could find is for Argentina. In the 1940s, the top 1 percent there controlled more than 20 percent of incomes. That was roughly double the share at that time in the United States. Since then, we've reversed places. The share controlled by the top 1 percent in Argentina has fallen to a bit more than 15 percent. Meanwhile, inequality in the United States has soared to levels comparable to those in Argentina six decades ago — with 1 percent controlling 24 percent of American income in 2007.

At a time of such stunning inequality, should Congress put priority on spending \$700 billion on extending the Bush tax cuts to those with incomes above \$250,000 a year? Or should it extend unemployment benefits for Americans who otherwise will lose them beginning next month?

One way to examine that decision is to put aside all ethical considerations and simply look at where tax dollars will do more to stimulate the economy. There the conclusion is clear: You get much more bang for the buck putting money in the hands of unemployed people because they will promptly spend it.

In contrast, tax cuts for the wealthy are partly saved — that's both basic economic theory and recent history — so they are much less effective in creating jobs. For example, Republicans would give the richest 0.1 percent of Americans an average tax cut of \$370,000. Does anybody really think that those taxpayers are going to rush out and buy Porsches and yachts, start new businesses, and hire more groundskeepers and chauffeurs?

In contrast, a study commissioned by the Labor Department during the Bush administration makes clear the job-creation power of unemployment benefits because that money is immediately spent. The study suggested that the current recession would have been 18 percent worse without unemployment insurance and that this spending preserved 1.6 million jobs in each quarter.

But there is also a larger question: What kind of a country do we aspire to be? Would we really want to be the kind of plutocracy where the richest 1 percent possesses more net worth than the bottom 90 percent?

Oops! That's already us. The top 1 percent of Americans owns 34 percent of America's private net worth, according to figures compiled by the Economic Policy Institute in Washington. The bottom 90 percent owns just 29 percent.”

Grading the Seattle Times on the Issues Raised by Kristof

Where does the Seattle Times editorial board stand on the issues Kristof raises? They don't agree.

Kristof states that economic inequality in America a Problem

Apparently it is a problem for the Seattle Times, which believes that the gap between the top 1% and the rest of the nation is **too small**, and should rise quickly. **The Seattle Times believes that the rich in America are not rich enough, and that the poor and middle class are overpaid.**

The Seattle Times supports the extension of the Bush tax cuts to the wealthiest Americans, campaigns aggressively for the elimination of the federal and state estate taxes, and opposed Initiative 1098 to place an income tax on the top 2% of Washington taxpayers. While calling on the Legislature to live within its means, and for laid off state employees or the unemployed to balance their budgets, the Times thinks that the rich need more tax cuts in order to make ends meet.

If the Times gets its way and the Bush tax cuts for the wealthiest Americans are extended, then households earning more than \$1 million a year would reap nearly \$31 billion in tax breaks under the GOP plan in 2011, for an average tax cut per household of about \$100,000. “This page has stated a preference that the Bush tax cuts be extended, and the estate tax abolished or substantially lowered.”, writes the Times editorial board. The Times, in the best traditions of journalism, frequently refers to the estate tax as “The Death Tax”.

In opposing 1098 the Times said, "Initiative 1098, the state income tax, runs counter to the idea of government adjusting its appetites downward. It takes current government programs as given and seeks to maintain them by adjusting taxes upward."

Here is what the Times said about extending unemployment benefits:

"On May 29 the (federal) House of Representatives narrowly voted to keep the unemployment benefit at an unusually high 99 weeks. This benefit extension is not paid for either by taxes or spending cuts, and adds directly to the federal debt.

History suggests that jobless pay tends to discourage people from aggressively looking for work. The Senate should vote *no* and reset the benefit downward, to 46 weeks."

The Times is concerned about adding to deficits by paying unemployment benefits to the victims of the Wall Street Meltdown, but not concerned about adding to deficits by cutting taxes for the rich.

Public Employee Wages are Middle Class Wages

The Times is very clear about how to "Reset Government" and balance state and local budgets – cut wages and benefits for government employees. Here are some recent Times Editorial statements:

"The state can no longer afford wage and benefit packages that allow employee contributions to health benefits to remain locked at 12 percent when the private sector is paying much more."

"State employees have to live some years without cost-of-living increases and have to pay higher premiums for health care, increasing from the current 12 percent to 20 percent. If employees do not bend a little, the state cannot afford many important programs."

"The financially beleaguered county cannot afford to do business that way any more. . . .
But a one-year wage freeze is not compelling enough. The economic climate combined with the tax structure of the county no longer affords employees the ability to expect raises every year when elsewhere in the economy workers' earnings are flat or being cut."

For years Tim Eyman has been promising that there need be no cut in vital services when state taxes are cut. He has always promised that if the politicians would cut waste, then the public would never feel the pain.

The Seattle Times agrees with Eyman, with a new twist. The Times thinks we can afford to maintain vital services, as long as we cut public employee pay and benefits. The Times insists that the Legislature can fund K-12 and higher education, for example, if they merely Re-Set Government, primarily by cutting public employee compensation.

The problem is that **public employee wages are middle class wages**. Wages for the middle class in America are set by competition between the private sector and the public sector. When public sector wages fall, private sector wages fall. When the Seattle Times says that public employees are overpaid, it is saying that all middle class employees are overpaid.

The position of the Seattle Times is clear: the unemployed and the Middle Class in America are overpaid, and the rich need serious tax cuts.

Kristof states that the better way to stimulate the economy is to financially support poor, unemployed, or middle class Americans: rather than to give more tax breaks to the very wealthy.

Again, the Seattle Times vehemently disagrees. They believe that the poor, unemployed, or middle class must learn to live within their means, and that the key to economic growth is to cut taxes for the wealthy.

Again, on Initiative 1098 the Times Editorial Board wrote:

"The income tax proposed by Bill Gates Sr. as Initiative 1077 is a high-risk gamble. Adding this weight on the private economy would prevent the creation of thousands of jobs the state desperately needs. . . .

On top of the 35 percent federal income tax rate, it would add a 5 percent tax on income above \$200,000 by an individual, and a 9 percent tax on income above \$500,000. Most people at these levels of income are running a business. They are the ones who can invest and create jobs. Our tax system should encourage them to do that here. . . .

Business owners and corporate managers. . . . These are the people who create jobs. Unfortunately, they are also the people in the bull's eye of the proposed income tax. The tax imposed by I-1098 will leave them with less money to invest and less confidence in investing it. It will slow Washington's recovery and keep people out of work.

These arguments are ideological, illogical, and self-serving. To say that “Most people at these levels of income are running a business.” is patently false. Most are employees -- lawyers, doctors, stockbrokers, or tech executives working for a company they do not own or run; and many are simply retired rich people, cutting coupons.

The same claims are made the Bush tax cuts for the very wealthy will directly benefit small businesses who will then turn around and create jobs. In fact, if, as proposed, the Bush tax cuts are allowed to expire for the highest earners, the vast majority of small businesses will be unaffected. Less than 2 percent of tax returns reporting small-business income are filed by taxpayers in the top two income brackets -- individuals earning more than about \$170,000 a year and families earning more than about \$210,000 a year.

To have sustainable growth, the economy needs consumers with rising income and money to spend. Long-term growth requires widely spread prosperity – not ever-increasing concentration of income at the top of the income pyramid.

Mark Zandi, Chief Economist for Moody’s who was economic adviser to former Republican presidential candidate John McCain, argues that the most efficient way to create immediate growth in demand are investments in food stamps and unemployment benefits. In fact he estimates that every dollar of spending on unemployment benefits increases overall economic growth by \$1.61. That’s because people who get unemployment benefits need to spend the money, and the people who receive it from them spend it as well, and so on.

That shuttered shopping mall in your community did not fail because wealthy families pay an estate tax, it failed because the poor and the middle class no longer shop there. The key to turning “Foreclosure” signs into “Sold” signs is to restore the incomes of middle class families, not to lay off government worker and to cut middle class wages. A strong housing sector, one in which home prices rise, creates personal wealth. That, in turn, feeds consumer spending, which drives 70 percent of U.S. economic activity. Lowering middle class wages in a consumer driven economy is insane.

Building an American Economy that Can Compete in the Global Economy

The neo-con movement in America has one mantra for building our economy both domestically and internationally: lower taxes, less government, less regulation, lower wages for working Americans, and cut health and retirement benefits -- including Social Security and Medicare. Their model is Mexico, a nation with a small middle class and little government. They believe that when American wages drop far enough, we will again be competitive in a global economy.

Democrats and Progressives believe that a strong governmental role will be necessary to rebuild our standing in the global economy. Today we are falling behind industrial high wage nations such as Germany and Denmark, and being challenged by the low wage twin behemoths of India and China, which are building huge middle classes, while the government invests in education and infrastructure.

State government’s primary role in building America’s strategy for a global economy is to build a world class education system, both K-12 and Higher Ed. By all measures, we have been slashing public education in Washington for the past three years, and will continue to do so in the coming legislative session.

We are 48th in the nation in the percentage of our residents enrolled as undergraduates at our public four-year universities and 49th in enrollments at the graduate or professional levels. Our state imports more individuals with bachelors and graduate degrees than any other state except California.

On education the Seattle Times again mimics Tim Eyman by claiming that the Legislature does not have to cut education funding in order to balance the budget, it merely has to prioritize education over all other programs.

In January, 2005 the Times Editorial page wrote:

“Legislators surely wouldn't cut funding to a program guaranteed to help fix the state's damaged economy. It would be foolish for elected officials to financially strap vital institutions that create jobs, start companies, train workers and provide upward mobility for the poor and stability for the middle class. But that is what is likely to happen in Olympia during the legislative session that began last week.

Gov. Chris Gregoire proposes pushing back funding to 2006 levels for the state's six public universities. The result is a \$90 million cut to higher education. This cut is not acceptable. Not if the governor and legislators are serious about reviving the economy and making Washington competitive nationally and internationally.”

On November 4th this year the Times editorial was entitled: **Leaders need a plan to pay for state's education priority.**

“Voters were clear in the midterm election that funding education is a top priority in Washington state but additional taxes and heavy borrowing are not the way to do it. Legislators will need a strategic plan around prioritizing and paying for education.

A sizable portion of the state's \$4.5 billion funding gap is planned spending on education. That includes two voter-approved initiatives that pay for smaller class sizes and teacher cost-of-living increases as well as education reforms approved in the last legislative session. Some education spending underscores certain values held by Washington's citizens. The biggest is levy equalization funding, money given to rural, less-well-off districts to make up for the enormous levies approved by more-well-off districts in Seattle and much of King County.

Much of what lawmakers can do in the future will be driven by the state's budget outlook, which is dismal. But voters have pointed the direction they want lawmakers to look and it leads back to Olympia.”

The 2010 State Budget

Like a stern Victorian aunt the Seattle Times has been lecturing the Governor and the Legislature for years on the need to cut the state budget. Their directions basically boil down to “Don't tax you, don't tax me, tax that man behind the tree. And cut the budget, but don't cut education.”

On November 24th the Times editorialized:

The Legislature must get serious about the budget

“The Seattle Times editorial board says the Legislature should deal boldly with the budget crisis, which it has tried to avoid for so long.

Like children afraid of the dark, too many of our legislators have never wanted to face this recession. They have taken restricted funds; they have assumed revenues that never arrived; they have raided the capital budget. They have done every possible thing other than end programs taxpayers could no longer afford.

The governor was also slow to act. Months ago, this page urged her to reopen contracts with state employee unions. Now she has done it. Last summer, this page urged her to call a special session. Instead, she ordered across-the-board cuts. Now she is about to order a special session.

Dear Legislature: This is what you get for dodging and fudging the problems of the state budget, and being so slow to act. You get a palate of unpalatable choices. Deal with it. Now.”

The fact is that the Governor and the Legislature have been cutting state spending. The 2009-11 State Budget took a 10 percent cut, more than \$5 billion, over what would have been needed to maintain our previous commitments in education, public safety, health care, the environment, and support for the very poor. That is more than \$4 in cuts for every dollar of new revenue.

- the budget for K-12 education was reduced by \$1.6 billion (10.3%).
- the budget for the state's colleges and universities was cut by \$588 million (15.2%), while tuition was increased by a \$232 million – 14% for four-year institutions and 7% for community and technical colleges. The UW's state funding was cut by one third.
- the Departments of Ecology and Agriculture (including parks) was reduced by \$111 million (32%), the Department of Fish and Wildlife was cut by 31.3%, and the Department of Natural Resources was cut by 14.9%
- home care for more than 30,000 vulnerable seniors and developmentally disabled people was cut
- budget cuts to public safety total \$290 million (10.7 percent) including 10 percent (\$190 million) for the Department of Corrections and 13% to Juvenile Rehabilitation (\$30 million).

The biggest single health care budget change was a 43 percent cut to Basic Health. Basic Health provides affordable health insurance for lower income Washingtonians, most of whom are working but lack employer-provided coverage. The cuts to Basic Health made last year will eliminate coverage for over 44,000 people and increase premiums for the remaining enrollees by 50 to 100 percent. The number of people on the waiting list for Basic Health coverage has risen from under 20,000 to over 93,000.

The Seattle Times wants to hold the Legislature accountable for fiscal prudence, but The Times is not held accountable for even vaguely proposing a fiscal strategy, or identifying the difficult tradeoffs the Legislature would have to make in order to balance the budget and protect education funding. They call on the Legislature to prioritize education, cut public employee pay and benefits, and don't increase any taxes without a two thirds vote.

As a former legislator, let me give the Seattle Times some commensurate advice on how to restore the newspaper's profitability:

"I don't know why the Seattle Times is having a hard time making money. All they need to do is double the number of newspapers they sell, and double the price for each paper. Then they would have four times more revenue."

But it is clear how the Times would have the Legislature cut the budget, which is to eliminate programs that aid the poor. In the November 24th editorial they recognized that the Governor was looking to cut the following programs: "Medicaid dental for adults; the Disability Lifeline program (formerly the General Assistance-Unemployable program); Medicaid for children from more middle-class families; Medicaid for the children of undocumented immigrants; The Basic Health Plan; state funding for preschool and kindergarten; school levy equalization."

Bruce Ramsey gave some advice about balancing the budget that read: "Democrats need to offer up some programs. (for cuts) Federal money for school lunches. (Can't kids bring a sandwich?)"

In yet another disingenuous critique of I-1098 the editorial board wrote:

"Look also what I-1098 does not do. It does not tax the poor, but it does not reduce any tax on the poor. It is not interested in the poor. It is about raising money."

The Seattle Times is not held accountable for connecting these dots, but in fact I-1098 was about raising money in order to protect the poor and public education.

"O grave where is thy victory?"

The Times seems to lust after the day that the Legislature balances the budget by slashing programs for the poor and laying off more public employees. The problem is that those public employees buy clothes and groceries and movie tickets and pay their mortgages – all of which will be cut back when they are unemployed. The poor also spend the limited funds they receive, or go to the Harborview Emergency Room when their health care coverage is eliminated.

Message to the Seattle Times: "Slashing the state budget and the programs and paychecks that go with it are a bad thing, not a good thing. They make our communities weaker, not stronger. Our leaders should take steps to avoid these bad developments, which is why the Governor has been filling holes, tapping federal resources, raising the tax on soda pop and candy, and supporting I-1098."

Re-Set The Seattle Times

Again, the Times is asking: *"How much do we collect in taxes, and how can we buy as much as possible with that money?"*

By contrast, Dick Conway, Seattle's resident economist recently wrote, in endorsing I-1098:

"Washington state government is struggling with its worst financial bind in 80 years. On a per-capita basis, tax collections have dropped 10 percent since the 2007 fiscal year. . . . This apprehension raises an important issue: **How much should state and local government tax?** If we could answer that question, we could then rationally discuss the best way to collect taxes."

There are two salient facts regarding the tax burden. High-income households have the lowest effective state and local tax rate in Washington. And, in 2009, federal, state and local taxes in the United States amounted to 20.2 percent of personal income, the lowest overall effective tax rate in 60 years. In short, except for people on the bottom rungs of the income ladder, no one is currently overburdened by taxes in Washington.

According to the "trickle-down" theory of growth, raising taxes on high-income households will retard investment and job creation. But, if the Bush tax cuts for high-income households in 2001 and 2003 failed to help the national economy — it lost 900,000 jobs between 2001 and 2009 — it is hard to imagine that a state income tax on high-income households would harm the Washington economy."

Conway and many other economists disagree with the unchallenged truism, repeated endlessly by the Seattle Times, stated as fact akin to gravity or death, that the worst thing you can do in a recession is to raise taxes. Actually what can be worse is slashing

education, denying a sick child access to a doctor, or throwing the poor out on the street – all of which will result from the budget cuts the Times is calling for.

Re-Set America to Maintain a Strong Middle Class

Let's Re-Set America. Let's build a nation that works for the middle class as well as for the upper class.

Let's build a nation that provides for the education, the health, and the retirement security for its middle class. Let's assure American workers that Medicare begins at 65, and Social Security at 66.

Let's Build a Nation that can compete in a global economy, that can increase its exports of manufactured goods while reducing its import of foreign oil, while maintaining a strong retail economy at home.

Let's Re-Set America to where we once again have the world's finest education system – K-12 through Higher Ed.

Let's Re-Set America to a land that Martin Luther King would be proud of, where we show empathy for the poor rather than just adulation of the rich.

Let's Re-Set America and roll back the Reagan – Bush tax cuts for the very wealthy, and let's tax Shaquille O'Neal and Tiger Woods and the Wall Street bankers at a high rate in order to pay for a Re-Set nation.

Let's Re-Set Washington by ending the Tim Eyman tax cuts and invest that money in better schools, universities, roads, jails, courts, police, and fire departments.

30 years of tax cuts for the rich have made America less successful and less secure. They have eroded our great nation. Since Reagan we have become selfish, greedy, and corrupt; cutting taxes for the very wealthy, fighting useless wars, squandering our nation's wealth, getting our "news" from Sean Hannity, allowing Wall Street to gamble with our mortgages, and creating deficits for future generations.

I was debating John Carlson recently, and he said, "Everyone knows that taxes are too high and that government is too fat." John is partially right, that due to the great victory of Ronald Reagan and the neo-con movement in American most people believe that taxes are too high and government is wasteful, but it is not true. It is the most dangerous mythology about our country repeated in politics, and it must be challenged. Taxes are not too high, and government does a good job of delivering vital services.

For three decades – from Ronald Reagan through George W. Bush -- the American right wing peddled the notion that by transferring more money to the wealthiest among us, we would entice them to invest more and that the economy would grow. That was the fundamental premise of "supply side economics." In fact, of course, "supply side economics" was really a rationale for why taxes for the wealthy should be cut, repeatedly. The result has been a doubling of the wealth owned by the top one percent, and a stagnation, then a decline, in the middle class standard of living. Today 100 million Americans are worse off than their parents; and 70% of Americans believe their children will be worse off than they are.

Let's Re-set America. It's a great nation. It can remain a great nation -- a great middle class nation with a strong, competitive economy.

As | See | It by Craig Sanders

Well, two years have gone by and it seems like only yesterday that Patti and I began editing the Newsletter. I still have many things that I would like to discuss, but for now, we've run out of time. When I first started, one of my editorials cited issues that I hoped President Obama would address. Unfortunately, I don't believe that any of those issues were addressed in an effective way.

We are living in precarious times. The time for middle of the road politics is gone. It's not compromise when one side gives everything away to the other side. I feel that Barack Obama will be a one-term president unless he immediately changes course (he won't) or the Republicans can't find a charismatic candidate.

President Obama won't embrace any of these ideas but I feel that this is a way to fix the nation (fixing the nation does not always coincide with helping large, multinational corporations):

(I wrote most of this back in April of this year)

PLAN FOR FIXING THE COUNTRY

America is no longer a great country. It still has a chance to be great again, but the opportunity is rapidly diminishing. I have suggestions for making the United States a great country again. These suggestions are not all-inclusive; I'm sure that I'm missing quite a few things:

1. PUBLICLY-FUNDED ELECTIONS- If you don't fix this, nothing else that we do will be effective. As long as money is in politics, our opinion is not going to count for anything. The person who has the money is the person who influences the decisions.
2. SINGLE-PAYER HEALTHCARE- this is what we're trying to get now, but the insurance industry is spending \$1.3 million a day to destroy any healthcare reform. That alone should tell the American public that single-payer healthcare is important to "We the People".
3. ENACT "PROTECTIONIST" POLICIES- Globalization is not only killing our country; it's killing most of the other countries too. The only winner, once again, are the multinational corporations (in other words, the wealthy). Get rid of NAFTA, and all of the other TA's. If you've read Naomi Klein's *The Shock Doctrine*, you would recognize that the programs of the International Monetary Fund (IMF) are beginning to be implemented here at home. You will begin to hear terms like "austerity" and "fiscal responsibility". The politicians will, again, try to destroy social programs such as Welfare, Social Security and Medicare. In the recent past, Democratic leaders have made possible what Republicans were unable to finagle (Clinton passed NAFTA, which was a Republican program). Look for President Obama to weaken Social Security, Medicare and/or Welfare.
4. BREAK UP THE "TOO BIG TO FAIL" CORPORATIONS- Jimmy Carter was the last president to break up any of the corporations. Bill Clinton had an opportunity to make a statement by breaking up Microsoft. Since then, corporations have gotten too big to fail so that, effectively, large corporations can now hold America hostage. Wall Street now knows that it will be bailed out in the future. It's like betting on a fixed race. There's no way to lose.
5. END CORPORATE PERSONHOOD- Corporations should not and have not had the equivalent of human rights until recently, with *Citizens United*.
6. LIVING WAGE- By increasing the minimum wage to a living wage, everyone will benefit. The poor spend about 100% of the wages that they are paid. This has been shown to have a multiplier effect on the economy (each dollar spent ends up generating multiple dollars within the economy, especially if it's spent on the local economy). It's one sure thing that will fix the economy (not tax cuts or lowering the interest rates).
7. SUPPORT AND ENCOURAGE UNIONS- Pass the Employee Free Choice Act (EFCA) or some semblance of it. In my way of thinking, unions built this country and built the middle-class. Unions are responsible for the 8-hr work day, the forty-hr workweek and overtime pay. Unions once represented 1/4 to 1/3 of the workforce in America. With the decline in unions, so goes the decline in America. Those unions keep everyone's wages up, not just their own. Businesses will pay a little extra just to insure that workers won't consider forming a union by being paid less. The West Virginia mine disaster was a non-union mine, where they tend to cut corners to save every little penny.
8. REDISTRIBUTE THE TAX- When anyone mentions tax redistribution the rich cry "class warfare". That's because for the last 30-40 years, the wealthy have quietly been carrying on "class warfare" and they're winning. It's much easier to win a war when only one side is fighting. If the inequality is not reduced, eventually Americans won't have any money to buy products and the stock market will fail.
9. INVEST IN ALTERNATIVE ENERGIES- A no-brainer. Investing heavily in alternative energy will create jobs and reduce and eventually eliminate our dependence on foreign oil. Again, Jimmy Carter tried to accomplish this when he was president.
10. START EMPLOYING THE JOBLESS. The U.S. Government has historically been the employer of last resort. If corporations can't or won't hire people, then it is incumbent upon the U.S. Government to hire. The U.S. Government could hire people to fix our crumbling infrastructure.
11. END THE OCCUPATIONS OF IRAQ AND AFGHANISTAN and close most of the over 700 bases the U.S. has around the world. Financially, these occupations make no sense. If the economy at home is so bad, then use some of the "defense" spending to help the homeless and those without healthcare.

Once again, this is not an all-inclusive list. I believe, however, that it is a good start towards returning this country to the greatness that it once enjoyed by reviving the middle-class. Without the middle-class, you have the rich and the poor, which is essentially feudalism (think A Christmas Carol or Oliver Twist).

A Real Jaw Dropper at the Federal Reserve

By Senator Bernie Sanders (Vermont)

At a Senate Budget Committee hearing in 2009, I asked Fed Chairman Ben Bernanke to tell the American people the names of the financial institutions that received an unprecedented backdoor bailout from the Federal Reserve, how much they received, and the exact terms of this assistance. [He refused](#). A year and a half later, as a result of an [amendment](#) that I was able to include in the Wall Street reform bill, we have begun to lift the veil of secrecy at the Fed, and the American people now have this information.

It is unfortunate that it took this long, and it is a shame that the biggest banks in America and Mr. Bernanke fought to keep this secret from the American public every step of the way. But, the details on this bailout are now on the [Federal Reserve's website](#), and this is a major victory for the American taxpayer and for transparency in government.

Importantly, my amendment also required the Government Accountability Office to conduct a top-to-bottom audit of all of the emergency lending the Fed provided during the financial crisis to be completed on July 21, 2011, which will take a hard look at all of the potential conflicts of interest that took place with respect to this bailout. So, in many respects, details that the Fed was forced to divulge on Wednesday about the \$3.3 trillion in emergency loans that until now were totally kept from public scrutiny, marked the beginning, not the end, of lifting the veil of secrecy at the Fed.

After years of stonewalling by the Fed, the American people are finally learning the incredible and jaw-dropping details of the Fed's multi-trillion-dollar bailout of Wall Street and corporate America. As a result of this disclosure, other members of Congress and I will be taking a very extensive look at all aspects of how the Federal Reserve functions and how we can make our financial institutions more responsive to the needs of ordinary Americans and small businesses.

What have we learned so far from the disclosure of more than 21,000 transactions? We have learned that the \$700 billion Wall Street bailout signed into law by President George W. Bush turned out to be pocket change compared to the trillions and trillions of dollars in near-zero interest loans and other financial arrangements the Federal Reserve doled out to every major financial institution in this country. Among those are Goldman Sachs, which received nearly \$600 billion; Morgan Stanley, which received nearly \$2 trillion; Citigroup, which received \$1.8 trillion; Bear Stearns, which received nearly \$1 trillion, and Merrill Lynch, which received some \$1.5 trillion in short term loans from the Fed.

We also learned that the Fed's multi-trillion bailout was not limited to Wall Street and big banks, but that some of the largest corporations in this country also received a very substantial bailout. Among those are General Electric, McDonald's, Caterpillar, Harley Davidson, Toyota and Verizon.

Perhaps most surprising is the huge sum that went to bail out foreign private banks and corporations including two European megabanks -- Deutsche Bank and Credit Suisse -- which were the largest beneficiaries of the Fed's purchase of mortgage-backed securities.

Deutsche Bank, a German lender, sold the Fed more than \$290 billion worth of mortgage securities. Credit Suisse, a Swiss bank, sold the Fed more than \$287 billion in mortgage bonds.

Has the Federal Reserve of the United States become the central bank of the world?

The Fed said that this bailout was necessary to prevent the world economy from going over a cliff. But three years after the start of the recession, millions of Americans remain unemployed and have lost their homes, life savings and ability to send their kids to college. Meanwhile, big banks and corporations have returned to making huge profits and paying their executives record-breaking compensation packages as if the financial crisis they started never happened.

What this disclosure tells us, among many other things, is that despite this huge taxpayer bailout, the Fed did not make the appropriate demands on these institutions necessary to rebuild our economy and protect the needs of ordinary Americans.

For example, at a time when big banks have nearly a trillion dollars in excess reserves parked at the Fed, the Fed did not require these institutions to increase lending to small- and medium-sized businesses as a condition of the bailout.

At a time when large corporations are more profitable than ever, the Fed did not demand that corporations that received this backdoor bailout create jobs and expand the economy once they returned to profitability.

I intend to investigate whether these secret Fed loans, in some cases, turned out to be direct corporate welfare to big banks that used these loans not to reinvest in the economy but rather to lend back to the federal government at a higher rate of interest by purchasing Treasury Securities. Instead of using this money to reinvest in the productive economy, I suspect a large portion of these near-zero interest loans were used to buy Treasury Securities at a higher interest rate providing free money to some of the largest financial institutions in this country. That is something that we have got to closely examine.

At a time when Wall Street executives are now making more money than before the financial crisis, how many big banks that paid back TARP funds in 2009 to avoid limits on executive compensation received no-strings-attached loans from the Federal Reserve?

At a time when millions of Americans are paying outrageously high credit card interest rates, why didn't the Fed require credit card issuers to lower interest rates as a condition of the bailout?

The four largest banks in this country (Bank of America, JP Morgan Chase, Wells Fargo, and Citigroup) issue half of all mortgages in this country. We now know that these banks received hundreds of billions from the Fed. How many Americans could have remained in their homes, if the Fed required these bailed-out banks to reduce mortgage payments as a condition of receiving these secret loans?

We have begun to lift the veil of secrecy at one of most important agencies in our government. What we are seeing is the incredible power of a small number of people who have incredible conflicts of interest getting incredible help from the taxpayers of this country while ignoring the needs of the people.

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Why Obama Should Learn the Lesson of 1936, not 1996

by Robert Reich

Which lesson will the President learn — that of Clinton in 1996, or FDR in 1936? The choice will determine his strategy over the next two years. Hopefully, he'll find 1936 more relevant.

Obama shouldn't be fooled into thinking Bill Clinton was reelected in 1996 because he moved to the center. I was there. Clinton was reelected because by then the economy had come roaring back to life.

The 1996 election was about little else. Dick Morris, Clinton's pollster and chief political advisor (who effectively took over the White House policymaking apparatus shortly after Newt Gingrich and the Republicans took over Congress in 1995), instructed the President to say only "the economy's booming and you ain't seen anything yet."

President Obama won't have that luxury in 2012. In all likelihood, the economy will still be anemic. It's now growing at the rate of no more than 2 percent a year — far too slow to bring down the jobless rate. Even now, sales are slowing. Business revenues are slowing. Home sales are down. Home prices are down. Foreclosures are increasing.

For the next two years Republicans will try to paint Obama as a big-government liberal out of touch with America, who's responsible for the continuing bad economy.

Obama won't be able to win this argument by moving to the center — seeking to paint himself as a smaller-government moderate. This only confirms the Republican's views that the central issue is size of government, that it's been too large, and the economy can improve only if it's smaller.

On the Republican playing field, Republicans always win.

Obama's best hope of reelection will be to reframe the debate, making the central issue the power of big businesses and Wall Street to gain economic advantage at the expense of the rest of us. This is the Democratic playing field, and it's more relevant today than at any time since the 1930s.

The top 1 percent of Americans, by income, is now taking home almost a quarter of all income, and accounting for almost 40 percent of all wealth. Meanwhile, large numbers of Americans are losing their homes because banks won't let them reorganize their mortgages under bankruptcy. And corporations continue to lay off (and not rehire) even larger numbers.

With Republicans controlling more of Congress, their pending votes against extended unemployment benefits, jobs bills, and work programs will more sharply reveal whose side they're on. Their attempt to extort extended tax cuts for the

wealthy by threatening tax increases on the middle class will offer even more evidence. As will their refusal to disclose their sources of campaign funding.

The relevant political lesson isn't Bill Clinton in 1996. It's Franklin D. Roosevelt in 1936.

By the election of 1936 the Great Depression was entering its eighth year. Roosevelt had already been President for four of them. Yet he won the biggest electoral victory since the start of the two-party system in the 1850s. How?

FDR shifted the debate from what he failed to accomplish to the irresponsibility of his opponents. Again and again he let the public know whose side he was on, and whose side *they* were on. Republicans stood for "business and financial monopoly, speculation, and reckless banking," he said over and over.

And he made it clear they wanted to prevent him from helping ordinary Americans. "Never before have these forces been so united against one candidate as they stand today," he thundered. "They are unanimous in their hate for me – and I welcome their hatred."

The 2012 economy won't be as bad as the 1936 economy, hopefully. But it won't be nearly as good as the 1996 economy. For a president running in 2012, 1936 is the more relevant.

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Robert Reich is Professor of Public Policy at the University of California at Berkeley. He has served in three national administrations, most recently as secretary of labor under President Bill Clinton. He has written twelve books, including [The Work of Nations](#), [Locked in the Cabinet](#), and his most recent book, [Supercapitalism](#). His "Marketplace" commentaries can be found on [publicradio.com](#) and [iTunes](#).

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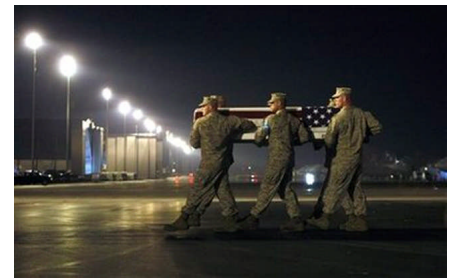
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Occupation Statistics (<http://www.antiwar.com/casualties>)

- 4,429 US Military Deaths (Iraq)
- 1,414 US Military Deaths (Afghanistan)
- 32,937 US Military Wounded (Iraq)
- 151,000-1,421,933 Iraq Civilian Deaths



31st Legislative District Democrats – Membership Form

DO YOU WANT TO PARTICIPATE IN OUR LOCAL POLITICAL SYSTEM?

Fill out the form below (questions are required by the state Public Disclosure Commission) and hand it in to one of our volunteers at our monthly meeting or mail it in (31st District Democrats, PO Box 7231, Bonney Lake, WA 98391). You can pay 2011 dues now or later by check (made out to 31st District Democrats). Dues are \$31 per individual, per year (January-December), but the Chair may reduce dues for good cause with a minimum of \$5 per individual.

I hereby declare that I am a Democrat.

SIGNED _____
NAME (printed) _____
Street Address _____
City, State and Zip _____
Mailing Address (if different from above) _____
Telephone # _____
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Occupation _____
Employer _____

Received by _____ date _____

* Optional, however if individual's donations exceed \$100/year, this information is required