

## TALKING POINTS: REPUBLICAN BUDGET PROPOSAL 4-20-11

On Friday, April 15, the House of Representatives passed, on a straight party-line vote, a Republican budget proposal that, if enacted, would alter the social and economic landscape of the United States in profound ways.

The Republican budget does away with both Medicare and Medicaid as we know them and imposes draconian spending cuts to important programs, all in order to provide more tax cuts for the very wealthy and for corporations.

Some of the **cuts to Medicare** include:

- Raising the eligibility age to 67 from 65;
- Reinstating the “donut hole” for Medicare Part D, which will force seniors to absorb more of the costs for their prescription drugs;
- Privatizing Medicare, with the federal government providing a voucher to put toward the cost of purchasing health insurance in the private market; and
- Making recipients pay twice as much for their share as they pay today.

Some of the **cuts to Medicaid** - - which provides health care to 60 million Americans, including one-third of the nation’s children - - include:

- Decreasing federal funding by one-third and shifting responsibility for the program to the individual states;
- Threatening nursing home and other long-term care for the aged and disabled because states cannot shoulder these costs without full federal funding.

Some of the **domestic programs** that would be dramatically cut include:

- Highway programs that improve the nation’s highways, bridges, and tunnels;
- Agencies that enforce health and safety and labor laws;
- Pell grants, which help students from families of modest means to attend college.

All of these spending cuts would go to pay for **more tax cuts for those who already have more than their fair share**. The House-passed Republican budget plan:

- Continues the Bush tax cuts indefinitely;
- Continues the temporary low estate tax (35 percent, excluding the first \$7 million) indefinitely;
- Lowers the tax rate for the very wealthiest Americans from 35 to 25 percent;
- Lowers the tax rate for corporations from 35 to 25 percent, and continues tax loopholes that allow corporations like GE to pay no federal taxes for 2010 on \$14 billion in profits worldwide.

UAW active and retired members are urged to speak out against this terrible Republican budget plan while Members are back home over Easter recess through May 2. **Attend a town hall meeting or call or write your Senators and Representative and tell them to stop the attack on the middle class and most vulnerable. The deficit problem is a revenue problem and should be fixed by fairly taxing corporations and the wealthy – NOT by cuts to Medicare, Medicaid or important domestic programs. Make sure they know you’re sick of more and more tax cuts for corporations and the**

**wealthiest Americans who have taken all the income growth for the last decade, while wages for the vast majority of people have stagnated or declined.**

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