
A New Deal for New Yorkers

August 23, 2006



The question before every New Yorker is simple: do you want a Senator who will take on the big corporations and greedy executives who are draining your country, a Senator who will protect your jobs and won't support so-called "free trade" agreements and a Senator who will push for a single-payer health care system ("Medicare For All") that will cover every person in America from cradle to grave? That's the kind of Senator Jonathan Tasini wants to be.

We need a new economic vision for our state and our country. Jonathan Tasini has a vision that has three important core principles:

An Economy for the People, Not Corporations: The vitality of communities is measured directly by how well individuals are doing, not simply by corporate balance sheets.

A New Code of Corporate Conduct: Abusive corporations have been bleeding our state by attacking workers' pensions, wages, health care and the right to join a union. Corporations exist to enhance peoples' lives, not just the lives of a few executives.

Make It Cost Less: Here's the truth—living can cost a lot less. Right now, middle-class, working-class and poor families spend 60-70 percent of their income on four things: housing, transportation, utilities and health insurance. Just do the math to figure out your costs. *Jonathan's economic plan will save money for every New Yorker.*

Jonathan Tasini's plan will help all New Yorkers:

- A single-payer health care system—"Medicare For All"—that would save New Yorkers an average of \$2,679 per year—and, as important, cover the 3 million New Yorkers who have no health care protection and provide better health care for the many New Yorkers who pay outrageous amounts for skimpy coverage. Such a plan would save our country \$660 billion a year, if health care could be provided as efficiently in the United States as in Canada. On a per capita basis, the savings amount to more than \$2,000 per person for the country as a whole. Hillary Clinton opposes single-payer health insurance and has been collecting tens of thousands of dollars from the drug companies and insurance industry.
- An end to the occupation of Iraq. ***The war is an economic issue.*** The economic drain due to the increase in defense spending associated with the wars in Afghanistan and Iraq has cost the country more than 300,000 jobs. Assuming job loss is proportionate to the size of each state's labor market, New York lost 18,766 jobs because of the Iraq War. Hillary Clinton cost us jobs by supporting the Iraq war and occupation.¹
- An end to NAFTA-type so-called "free trade" agreements—agreements that Hillary Clinton supports. More than ***one million jobs have been lost*** due to NAFTA. In New York, we've lost thousands of jobs due to NAFTA.² The typical worker's wage would be more than 10 percent higher if NAFTA-type trade agreements had not been structured in a way to depress the wages of workers without college degrees. This translates into a gain of more than \$3,100 a year in earnings for a full-time worker.³
- Workers Rights and Corporate Responsibility. The right to form a union: Unions built our middle-class and a fair standard of living. We have to make sure that every worker has the real right to join a union. And we have to change laws that undercut fairness in the workplace.
- A fairness tax on the profiteers on Wall Street.

- A comprehensive alternative energy plan called the Apollo Alliance that could create more than **200,000 new, high paying jobs in the next ten years**. For New York State, embracing the Apollo Alliance would mean, over ten years: an additional \$15.1 billion of economic activity; \$9.6 billion of increased personal income; and 228,100 new jobs (including 31,320 new manufacturing jobs and 25,635 new construction jobs).⁴
- A universal pension system. The universal system would allow anyone to contribute to a plan that is protected from the Wall Street brokers who drain pension plans with high fees. We also must protect our current defined-benefit pension system and stop the use of bankruptcy laws to shred pensions that people have worked all their lives to build.

Medicare for All (*Expanded*)

Every person in America deserves affordable, comprehensive health care as a right, not a privilege, from the time s/he is born until the day s/he dies. The United States currently spends more than twice as much per person on health care as the average for other wealthy countries. That's nuts—and it doesn't even get us a better, healthier life: the U.S. ranks near the bottom of the list among countries in things like infant mortality and life expectancy.

Think of this: the industry spends billions of dollars for ***the sole purpose of denying people coverage***. That's crazy. Jonathan's plan would put some sanity into our healthcare system. If we moved to an expanded and improved "Medicare For All" system, we would eliminate much of the bureaucracy that makes the current system so expensive. Medicare has been one of the most successful administrative stories in our history: its administrative costs are less than 2.0 percent of its total payments to providers, compared to the 15-25 percent eaten up by the administrative costs of the profit-making insurance industry.⁵

If providers had to deal with just a single insurer using a single standard of compensation, the amount of money spent on administrative burdens would drop dramatically. And we could negotiate lower prices for drugs and other medical supplies.

End The Iraq Occupation Immediately:

Jonathan believes that the Iraq war and ongoing occupation are significant economic issues, as well as foreign policy and national security issues. Ending the occupation immediately will bring economic benefits to the state and the country.

The Nobel economist Joseph Stiglitz estimates the conservative cost of the war and occupation at ***more than \$1 trillion—assuming there are no U.S. troops in Iraq after 2010***. If troops stay in Iraq as long as 2015—a reasonable scenario given the current situation—the cost could potentially reach as high as \$2 trillion.⁶ By supporting the war and occupation, ***Hillary Clinton has saddled every New Yorker with higher taxes and a lower standard of living***.

Here are just a few examples of the costs of the war/occupation:

- \$300 billion for direct war-fighting costs—money we won't have to pay for housing, health-

care and to bolster Medicare.

- \$200 billion for disability payments to our men and women in uniform and to care for the thousands of horribly wounded military personnel, many of who will require life-long treatment for amputations and injuries to the brain, spine, mind and other severe injuries.
- \$380 billion added interest on the national debt—our country had to borrow money to finance the war.
- Pushed up the price of oil which has meant higher gasoline prices for average Americans. The war and occupation may add a minimum of \$5-\$10 per barrel to the price of oil—a cost of as much as \$300 billion over the next five years. That comes right out of the pockets of average Americans.
- Lost economic value of \$750 billion because monetary costs of the war/occupation do not add to national income in the way public investments do.⁷

The war cost us jobs and hurt our economy because the increased defense spending has to be financed by either higher taxes or increased borrowing. If our country raises taxes, the increased defense spending reduces the after-tax wages of workers. If we have to borrow to cover the defense spending, then, eventually, the increased borrowing will lead to higher interest rates—and, of course, that will reduce investment, cost jobs and, then, push taxes higher because we will have to pay off the higher debt at some point.

A New Trade Agenda

The so-called “free trade” agenda has been a failure for most hard-working Americans and the communities in which they live. It has lowered wages and cost our country good-paying jobs.

Jonathan proposes a new trade agenda. We need to start with a clean slate and negotiate trade agreements that start with the philosophy that trade between countries is primarily done for the benefit of people and communities, not corporations and investors.

Here are Jonathan’s principles for a new trade agenda:

1. Democratic participation, accountability and transparency during trade negotiations;
2. Labor and environmental goals must provide the framework for any new agreements. With a new framework built on labor and environmental standards, trade deals would then outline how corporations and investors can service those key standards.
3. Provisions that work to protect the dignified lives of small farmers, indigenous communities, women and otherwise vulnerable populations.
4. Space for national governments to pursue development strategies that support sustainable, locally-determined economic, social and environmental priorities.
5. Debt cancellation and aid that make trade more effective and long-lasting because they will help close the gaps between and within rich and poor countries.
6. Agreements must focus finance and investment on productive, long-term development that ensures economic security and sustainable use of resources, not quick-buck, slash-and-burn.

7. A guarantee that public services like health care, education and potable water will remain public and accessible to poor communities.

Workers Rights and Corporate Responsibility

The Right To A Union. Every year, 20,000 workers are fired from their jobs simply because they tried to form a union. That's un-American—and it's bad for the economic livelihood of our communities. The best economic stimulus program we could have is to make it easy for people to join unions: every study shows that union workers earn more than non-union workers. When workers earn more, they can afford to spend money on essential items for themselves and their families—rather than fall deeply in debt just to make ends meet. We need a framework—partly reflected in the Employee Free Choice Act—that gives every worker the freedom to join a union.

Let's Tax Corporate Greed. The disparity between CEO pay and worker pay is obscene; in 2004, CEOs were paid, on average, 431 times more than the average worker—a ten-fold increase in the ratio compared to where it stood in 1980. Jonathan proposes the following: reduce corporate tax rates for companies that pay workers more because higher worker pay is an investment in the human capital of the corporation but substantially increase tax rates for corporations where company directors are lavishing huge riches on a few while leaving workers to struggle with declining pay, no health care and vanishing pensions.

Stop The Looting. The bankruptcy laws in our country allow greedy CEOs to take a company into bankruptcy and shred workers' pensions (which hold money that workers earned but put off taking until retirement—it's the workers' money). Jonathan proposes the following: a company going into bankruptcy must reduce the pension, pay and benefits of its executives by the same ratio that exists between the pay and benefits between the CEO and average worker. In other words, a cut in the average worker's pension must be accompanied by a cut in the CEO's pension that isn't just one-to-one but bears some resemblance to the outsized difference between the riches granted a CEO versus the average pay of a worker.

A Public Eye on Corporations Federal Registry. Corporations that repeatedly violate the laws of our land—safety and health, securities, labor, civil rights, environmental—would be listed in the Registry. Such public disclosure would give citizens the power to monitor the behavior of corporations who do business, or are seeking to do business, in a community.

A 21st Century Energy Plan: *The Apollo Alliance*

Jonathan has long believed that we must aggressively move towards an economy based on alternative energy. Here's the ten-point plan Jonathan's campaign has adapted directly from The Apollo Alliance—a brilliant campaign to reduce our country's dependence on oil and nuclear energy:

1. Promote Advanced Technology & Hybrid Cars: Begin today to provide incentives for converting domestic assembly lines to manufacture highly efficient cars, transitioning the fleet to

American made advanced technology vehicles, increasing consumer choice and strengthening the U.S. auto industry.

2. Invest In More Efficient Factories: Make innovative use of the tax code and economic development systems to promote more efficient and profitable manufacturing while saving energy through environmental retrofits, improved boiler operations, and industrial cogeneration of electricity, retaining jobs by investing in plants and workers.

3. Encourage High Performance Building: Fact—between now and 2030, we will build or rebuild *half* of the existing structures in America! Jonathan sees an enormous opportunity. We could cut utility bills by 20-30 percent per year if individuals' homes were energy efficient and if businesses had energy efficient office buildings. Increase investment in construction of “green buildings” and energy efficient homes and offices through innovative financing and incentives, improved building operations, and updated codes and standards, helping working families, businesses, and government realize substantial cost savings. Jonathan will propose legislation to provide additional insurance on state bonds so that states can offer people free energy retrofitting of homes. Jonathan will also propose legislation that builds discounts into Fannie Mae and Freddie Mac home loan mortgages for people who build energy efficient homes.

4. Increase Use of Energy Efficient Appliances: Drive a new generation of highly efficient manufactured goods into widespread use, without driving jobs overseas, by linking higher energy standards to consumer and manufacturing incentives that increase demand for new durable goods and increase investment in U.S. factories.

5. Modernize Electrical Infrastructure: Deploy the best available technology like scrubbers to existing plants, protecting jobs and the environment; research new technology to capture and sequester carbon and improve transmission for distributed renewable generation.

6. Expand Renewable Energy Development: Diversify energy sources by promoting existing technologies in solar, biomass and wind while setting ambitious but achievable goals for increasing renewable generation, and promoting state and local policy innovations that link clean energy and jobs.

7. Improve Transportation Options: Increase mobility, job access, and transportation choice by investing in effective multimodal networks including bicycle, local bus and rail transit, regional high-speed rail and magnetic levitation rail projects.

8. Reinvest In Smart Urban Growth: Revitalize urban centers to promote strong cities and good jobs, by rebuilding and upgrading local infrastructure including road maintenance, bridge repair, and water and waste water systems, and by expanding redevelopment of idled urban “brownfield” lands, and by improving metropolitan planning and governance.

9. Plan For A Hydrogen Future: Invest in long term research & development of hydrogen fuel cell technology, and deploy the infrastructure to support hydrogen powered cars and distributed electricity generation using stationary fuel cells, to create jobs in the industries of the future.

10. Strengthen Regulatory Protections: Encourage balanced growth and investment through regulation that ensures energy diversity and system reliability, that protects workers and the environment, that rewards consumers, and that establishes a fair framework for emerging technologies.

The Fairness Tax on Wall Street

When gamblers win money in Las Vegas, we tax those winnings. Why shouldn't we do the same for the wealthy gamblers on Wall Street?

Jonathan Tasini is proposing a Wall Street Fairness Tax (which is modeled on a proposal by the Nobel economist James Tobin) that could raise *at least \$100 billion every year*.⁸

Every day, billions of shares are traded through financial systems that often have huge fluctuations. Rather than rewarding speculators who move "hot cash" in and out of investments, we should encourage what economists sometimes call "patient capital:" making an investment in a company you think has potential and holding on to it. The Wall Street Fairness Tax would decrease volatility and reduce the incentive to jump in and out of investments quickly—which is also destabilizing for U.S. companies and for other countries.

The Wall Street Fairness Tax would be 0.25 percent of the value of a trade. That's right—just one quarter of one percent. Long-term investors would not feel the tiny tax because they are putting their money into a company for the long haul.

The Wall Street Fairness Tax would generate significant revenues, which we could use for either a tax cut for middle- and lower-income people or for domestic programs like single-payer health care or for a massive investment in public infrastructure (which needs, by some estimates, an infusion of \$2 trillion).

This tax would not affect people who are investing in a company for the long haul. It would only be felt by people who speculate in the financial markets.

Lowering The Cost of Living

Where we live and work and how we get to and from work, home, shopping, and play costs us a pretty penny. Without attractive options in public transit, most families find they need two cars to satisfy basic transportation needs, which costs them a quarter of average household earnings – on average, about \$8,000 a year per car on gas, repairs, insurance and car payments. This is far more than most countries spend on transit.

Our homes are also costing us more than they should. If we built new homes closer to existing infrastructure (water, electricity, sewage, roads, mass transit) and made them energy efficient, they'd be cheaper to build and less costly to maintain. This would also be good for owners of older housing, who currently subsidize the cost of sprawl.

We have a great opportunity right now to make better choices in transportation and housing. Half of the building stock of this country in 2030 will be built between now and then, and where it's built will determine our transportation needs. We should build it in a way that reduces commute times, makes housing cheaper, and reduces our car-dependence.

Here's how Jonathan proposes to do this:

Fair House Pricing: Sprawl adds about \$60,000 to the cost of a new home because of the new infrastructure that needs to be built to reach far-flung communities. But, the cost of sprawl is dumped on those already connected to that infrastructure, in older communities

where there is lots of room to connect others. This isn't fair. We should encourage full-cost accounting in housing prices, so that people who build for sprawl carry those costs. That will reduce sprawl, and reduce the tax burden on existing homeowners.

Efficient Homes: We could cut our utility bills in half if our homes were more energy efficient. The Federal Government should back state and municipal bonds that provide money for retrofitting homes, for free, with the savings from that paying back the bonds. We should also require that energy-efficient homes be given preference for federally-backed home mortgages, and require that, at point of sale, all homes need to meet some basic efficiency standard. We should also reward smart choices in home ownership by increasing mortgage eligibility for those who live near public transit. They won't need their extra cars—and that means they can better carry mortgage costs.

Let's Travel Together, Faster, Cheaper: We have one of the worst systems of mass transit in the world, and that imposes a hidden tax on working families by forcing them to buy and maintain more cars than they'd otherwise need. We should aim at a range of attractive non-car options for getting around: high speed rail between major population centers, dense bus and rail systems within them, quick connections among different means of transport during a trip. This will cost money, but it's a public investment worth making. It will more than pay for itself in new jobs, reduced living costs, improved public health, and less time lost in traffic jams. And who among us wouldn't like to spend less time stuck in our cars?

Airport Passenger Fees: Each time you take a flight you pay a special fee for airport use which, under federal law, can only be spent for airport improvement. This is like state restrictions on spending gasoline taxes only to build roads. Such restrictive taxes or user fees for particular transportation modes tend to lock them in place, and should be abolished. Communities should be free to choose whatever mix of transportation options best meets the goal of lowering transportation costs and reducing travel time.

Pensions For All

What happened to the idea that some day every one of us could reach an age when we could sit back, fish, play a little golf, take up a new hobby, maybe watch our children and grandchildren play or just simply relax and watch the grass grow—without worrying about whether we had money for food and rent?

We think that that each person in our community should live safely and fulfill a life of opportunity and prosperity at every stage of their lives. But the U.S. pension system is under attack. Look at what's happening to people who put money—their money—into corporate pensions? The money is disappearing—corporations and bankruptcy courts are taking away the hard-earned fruits of our labor. That's not right.

Even where we don't see outright corporate abuse, the number of firms offering traditional defined benefit pensions is falling rapidly and many of the ones that still exist are badly underfunded. Only half of workers even have the opportunity to contribute to a 401(k) pension at their workplace. Since workers often change jobs frequently, many never invest in pensions at their jobs or they accumulate very little money in their pensions if they do invest.

We want to bring back the promise of a safe retirement with a pretty simple idea called **Universal Voluntary Accounts**.

Here's how it would work: The government should create a universal system of universal voluntary accounts (UVA) that everyone can contribute to at their work place through a deduction from their paycheck. Employers would also contribute to these accounts on behalf of their workers—a minimum of 3 percent of wages. The system will be comparable to the federal employees Thrift Savings Plan, which has extremely low administrative costs.

Right now, your IRA is being drained by Wall Street because of high costs. In a UVA system, your existing 401(k) plans would increase retirement savings by 10-15 percent. The plan will also allow for workers to convert their savings to annuities in retirement—a life long stream of income. Since a plan administered for the benefit of the community could issue annuities at very low costs, this would further increase retirement income by approximately 10 percent compared with the existing 401(k) system.

Here's the biggest difference: ***our plan would not leave your retirement up to the casino-atmosphere of the stock market, where you have to worry where the stock market will be when you retire.*** The pension would be based on workers' contributions, the age when they contributed and the age when they begin to draw their pensions. It would remove market risk for individual workers, since the UVA system could even out payments over up and down markets, taking advantage of the size of a community-wide system. The UVA system could even allow workers to choose to have a guaranteed defined benefit pension—a set amount you can count on.

The Incumbent's Record on the Economy: An Unmitigated Failure

Beyond the public relations spin and press releases, the facts show that Hillary Clinton's record on the economy has been a disaster for New Yorkers.

By voting for the Iraq war and subsequent occupation, Hillary Clinton cost our state thousands of jobs—and guaranteed that either *every New Yorker's taxes will be raised* or that we will *face cuts in social programs* to pay for the cost of the war.

When Hillary Clinton ran for the U.S. Senate in 2000, she promised to deliver 200,000 new jobs to the state. Her record has been miserable. From 2000-2005, New York has *lost* more than 170,000 manufacturing jobs.⁹

The story of Tata Consultancy Services is emblematic of the incumbent's economic development strategy:

In 2003, Hillary Clinton worked to bring Tata to Buffalo, where it created 10 jobs. The company specializes in outsourcing, according to its website,¹⁰ which boasts that “the deal was the brainchild of Senator Hillary Rodham Clinton (D-NY).”¹¹ In fact, Senator Clinton took great pride in luring an outsourcing company to Buffalo: “When I learned of Tata Consultancy Services' intentions to expand its company, I thought immediately of Buffalo and dedicated myself to showing the company all that the region had to offer. TCS could have located anywhere in the country. I am proud but not surprised that they chose Buffalo.”¹²

Working for many Fortune 500 companies, TCS has helped many of these companies ship jobs out of the United States. According to Jim Boldt, CEO of Computer Task Group in Buffalo, Tata's “proposals are generally that the work is taken outside the U.S. They come in and displace U.S. workers.”¹³

When she was asked about the poor job-creation record for the local community and its job-outsourcing strategy, Hillary Clinton told CNN's Lou Dobbs, “Well, of course I know that they outsource jobs, that they've actually brought jobs to Buffalo. They've created 10 jobs in Buffalo and have told me and the Buffalo community that they intend to be a source of new jobs in the area... [Y]ou know, outsourcing does work both ways. You know, we cannot close our borders. We have to be smarter about competing.”¹⁴

Hillary Clinton supports so-called “free trade.” She says NAFTA was a good thing despite the many thousands of jobs that NAFTA has cost to upstate communities. She recently voted for the so-called “free trade” agreement with Oman. Another term for Hillary Clinton will mean the loss of tens of thousands of good-paying, unionized jobs because she will continue to support so-called “free trade” agreements that reward her corporate contributors like Rupert Murdoch, at the expense of hard-working Americans.

Hillary Clinton spent almost her entire first term proposing virtually nothing in the area of energy independence. Finally, after gas prices for New Yorkers rose above \$3 a gallon and polls showed rising support for cutting our dependence on oil, the incumbent found her voice on a critical issue—and yet, her plan is vague and unimpressive.

Hillary Clinton has never supported a single-payer health plan. Indeed, The New York Times

reports that the incumbent is receiving tens of thousands of dollars from drug companies and insurance companies, making her “the No. 2 recipient of donations from the industry, trailing only Senator Rick Santorum of Pennsylvania, a member of the Republican leadership.”¹⁵

New Yorkers should look behind the curtain: Hillary Clinton is a Washington insider who ranks only behind right-wing Senator Rick Santorum in the amount of lobbyists’ money collected by a sitting senator. She has received hundreds of thousands of dollars from people who are tied to big Wall Street speculators, banking interests, drug companies and health insurance companies.

Look at the facts, not the spin and hype: Hillary Clinton’s support for policies like the Iraq War and so-called “free trade” has damaged our economy and the security of every family in the state. New Yorkers cannot afford—literally—a Senator who has failed them in the past six years. New Yorkers need a New Deal for their families and communities.

¹ Dean Baker, Center for Economic and Policy Research, “Payoffs for Progressive Policies: Health Care, Trade, and Defense”

² <http://www.epi.org/content.cfm/ib214>

³ Ibid, Baker, page 9.

⁴ <http://www.tasinifornewyork.org/issues/energy>

⁵ Medicare Trustees, 2006, Table II.B.1.

⁶ Stiglitz, <http://www.nber.org/papers/w12054>

⁷ Stiglitz, <http://www.nber.org/papers/w12054>

⁸ http://cepr.net/publications/tax_2000_02.htm

⁹ http://www.brookings.edu/metro/mei/20060727_manufacturing.htm

¹⁰ <http://tcs.com>

¹¹ http://www.tcs.com/0_media_room/releases/200303mar/20030310_buffalo.htm

¹² http://www.tcs.com/0_media_room/releases/200303mar/20030310_buffalo.htm

¹³ Buffalo News, March 8th 2003

¹⁴ Lou Dobbs Tonight, 3/3/2004.

¹⁵ “Once An Enemy, Health Industry Warms To Clinton,” by Raymond Hernandez and Robert Pear, The New York Times, July 12th 2006.