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SCHAKOWSKY: PRESCRIPTION DRUGS FOR SENIORS, NOT TAX BREAKS FOR MILLIONAIRES

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) participated at a news conference today to dispel the myth that President Bush's latest tax cut proposals, including the elimination of the dividend tax, would benefit seniors. Schakowsky said that the \$700 billion in proposed tax cuts for the wealthy by Bush could go a long way toward providing seniors a prescription drug benefit under Medicare instead.□□

Democratic Whip Steny Hoyer (D-MD), U.S. Representatives Bob Matsui (D-CA) and Frank Pallone (D-NJ), and George Kourpias, President of the Alliance for Retired Americans also participated in the event.□ Below is Schakowsky's statement:□

I am here today with the leaders of organizations that represent real seniors and the interests of real seniors.□ You ask the Alliance for Retired Americans what seniors want and need and I guarantee you the answer will be a prescription drug plan under Medicare, not more tax cuts for the rich.□ But you ask PhARMA's front group - The Seniors Coalition - the same question and the answer is the Bush dividend tax cut.□ That's laughable.□

This so called senior group is a sham, so is the claim that the Bush dividend tax cut will benefit seniors. Most seniors will get little or no benefit under a dividend tax cut. The majority of seniors do not have dividend income that is taxable. And in fact, just like his overall plan helps the very wealthy, only the wealthiest seniors, those with income over \$200,000, get almost half the benefit.

Seniors want and deserve a comprehensive prescription drug plan under Medicare.□ What they got from President Bush instead is a plan that leaves 85% of seniors in fee for service without any coverage.□□

If you are designing a drug benefit for seniors, who would you want to help, seniors or the drug companies.□ Clearly, just like the Washington Post reported today, the Bush plan is a "Boon to Drug Companies."

As a matter of fact, the Washington Post reported today that health care economists said that the Bush plan is "a bonanza for the pharmaceutical and managed-care industries, both of which are huge donors to Republicans."

The short term cost of the latest Bush tax giveaway for the rich is \$695 billion - that money would go a long way toward providing a comprehensive Medicare prescription drug benefit to all seniors, without requiring seniors to join HMO's.

And to pay for this round of tax breaks for millionaires, just like he did before, President Bush is using the Social Security Trust Fund.

Social Security faces a long-term shortfall: if nothing is done, in about 40 years, Social Security will be able to pay only about three-fourths of promised benefits.□ □

For \$8.7 trillion, which is the 75-year cost of making the 2001 tax cuts permanent - not counting any large new tax cuts - we could erase the entire 75-year, \$3.7 trillion shortfall in Social Security more than two times over, ensuring guaranteed, lifetime, inflation-adjusted benefits for the baby boomers and future generations.