

December 15, 2010

WASHINGTON, DC – Rep. Peter DeFazio (D-Ore.) today participated in a press conference with Max Richtman, Executive Vice President of the National Committee to Preserve Social Security and Medicare (NCPSSM), and other members of Congress to warn that the Senate passed tax cut deal will jeopardize the bedrock of U.S. retirement: the Social Security program. The Senate passed tax cut package would divert \$112 billion from the Social Security Trust Fund, with a reduction in the FICA tax under the guise of providing economic stimulus and creating jobs. However, the bill also mandates that the government borrow \$112 billion, much of it would likely come from China, to payback the Trust Fund. This sets a dangerous precedent that opens Social Security up to attacks from those seeking to dismantle or privatize it, and is not the type of investment that will create jobs or put people back to work.

The following is DeFazio's statement at today's press conference.

"Today, the U.S. Senate voted to endorse the deal cut by President Obama and the Senate Republican Leader Mitch McConnell, I think it's a bad deal. It will add \$858 billion to our deficit over the next two years. This is done under the premise that these sorts of tax cuts, trickle down tax cuts -- on estates over \$10 million, incomes over \$250,000, and 100% expensing for wealthy corporations who are sitting on huge piles of cash -- are necessary to put Americans back to work. I think we could have taken many more effective measures at much less cost to put Americans back to work.

But, one of the worst aspects of this bill is that it will take \$112 billion from the Social Security Trust Fund and require that we borrow money, probably from China, to replace that money to make Social Security whole. It's the first time in 75 years, since President Roosevelt created Social Security that opponents of the program are poised to undo the New Deal and turn it into a raw deal for America's seniors, the taxpayers and working men and women. At the end of 2011, the Republicans will insist on extending the payroll tax holiday because the expiration of the holiday would increase taxes on working people. And to pay for the extension, it's likely they will demand cuts in Social Security benefits.

That's not the kind of security the American people who are dependent upon Social Security, or who will be dependent upon Social Security, need. This is a raw deal for seniors, taxpayers and working men and women. This bill sets a dangerous precedent and I will oppose it."