

## REPUBLICANS HAVE THE WRONG PRIORITIES FOR RURAL AMERICA

---

Republicans in Washington are out of touch with rural America. They have put irresponsible tax cuts ahead of key priorities, such as balancing the books, Social Security, job creation, roads and infrastructure, education, health, veterans', and homeland security.

No wonder the American Farm Bureau Federation, the National Farmers Union, and fourteen other farm organizations expressed strong opposition to last year's Republican budget resolution noting: "We believe it is disingenuous to suggest that a balanced budget coupled with substantial tax reductions achieved at the expense of farmers, ranchers, and their communities represent our national priorities for economic growth." (letter to Speaker Hastert on March 17, 2003)

Given this terrible record, it is no surprise Republicans are mistepping and mistating their positions on the campaign trail, on issues like the tobacco buyout and meat labeling, as they seek to cover-up their actions on issues important to rural America.

### Deficits/Social Security

**President Bush and the Republicans have presided over the worst fiscal reversal in history.** When President Bush was inaugurated in January 2001, there was a projected 10-year surplus of \$5.6 trillion. Now, there is a projected 10-year deficit of almost \$3 trillion. That is a fiscal reversal of almost \$9 trillion in just three and a half years. The Republicans' massive tax cuts for the wealthy, reckless disregard for fiscal responsibility, and their handouts to corporate interests have created *record deficits* that threaten our economy. Under the President's policies, the "debt tax" – the amount of interest on the national debt that each family will have to pay -- will more than double from \$4,367 today to \$10,368 by 2014.

**Spends every dime of the Social Security Trust Fund on tax cuts for the wealthy.** When the President took office, the government was projected to save every dollar of the Social Security surplus. But under his \$1 trillion tax break plan, the Bush Administration would spend every penny of the Social Security Trust Fund over the next 10 years, just as the Baby Boomers are about to retire. The long-term cost of the Administration's tax cuts is more than three times the entire long-term Social Security shortfall. [CBPP, 3/5/03]

### Jobs and Trade

**Republicans have failed to take any action to stem the loss of rural manufacturing jobs, and have refused to adequately enforce trade agreements needed to give farmers a fair shake in the global marketplace.** Because of more than a year of Republican inaction on ending exports subsidies, American dairy producers, sugar producers, citrus farmers, and cattle farmers are facing financial penalties from the European Union, making their products harder to sell. On March 1, Europe began to retaliate against American manufacturers for continuing a tax subsidy for U.S. exports. But Republicans have held up action on ending the subsidy – by insisting on tying this to unrelated tax provisions that encourage shipping jobs overseas. Of course, the Bush Administration has said that shipping jobs overseas is good for the economy. Further, the latest Republican tax plan to be voted on this week discriminates against providing tax relief to farmers, instead providing tax relief to multinational corporations shipping jobs overseas.

In addition, Republicans have failed to stand up for small business and rural development needed to promote jobs and economic growth in rural areas. For example, the President's budget shortchanges small businesses in rural communities and rural development needed to attract businesses and jobs – cutting rural business assistance programs by 20 percent cut, cutting revolving loan funds to small rural businesses, by 15 percent, and slashing \$65 million in Farm bill funding for rural business investment. The President's budget also cuts rural development by 10 percent from last year.

## Roads, Airport, Information, and Infrastructure

**The agricultural community depends on an expansive and well-maintained transportation network to deliver goods efficiently and competitively to the marketplace.** This includes good highways and good air service. And yet, Republicans have rejected prime opportunities to connect rural American to the marketplace and to create jobs. The President's proposal for highways does not provide one new dollar for highways or create one new job over the 2004 level, and Republican voted for a scaled back highway bill, because of White House objections. Republicans even rejected an amendment to increase the funding in the bill to the Senate-passed level of \$318 billion, which would create about 1.8 million more jobs than the House Republican bill -- without adding to the deficit. Further, the President's budget cuts the Essential Air Service program, which is designed to keep air service available to 125 small communities, in half.

Republicans have ignored other infrastructure needs important to bringing prosperity to our small towns and communities. For example, under the President's budget, broadband assistance guaranteed loans would be slashed by approximately \$271 million, with broadband telecommunications grants eliminated entirely. Last year, the President budget nearly eliminated rural broadband service funding, even though broadband high-speed telecommunications service helps link rural America to the digital economy. For the second year in a row, under President Bush's budget, smaller cities and towns in rural America that need assistance to provide rural residents with safe water and sewer service would see cut in funding.

## Republicans Shortchange Education and Health

**Rural Americans can not afford the cuts in health care being pushed by the Republicans.** The Bush budget for the upcoming year slashes rural health activities by \$91 million below this year's enacted level – or by 64 percent, and eliminates distance learning and telemedicine guaranteed loans and grants for distance learning and telemedicine, much like it did last year.

Not only have Republicans shortchanged health care, but **they have left rural school children behind.** For example, for the third year in a row, the Bush budget proposes to freeze or cut the rural education program, a \$300 grant program for elementary and secondary schools in rural areas. One-third of America's school-age children attend public schools in rural and small towns or in cities of less than 25,000 and small rural schools are facing increasing financial pressure. With No Child Left Behind, rural schools face many difficulties such as recruiting qualified teachers.

## Veterans

**Rather than honoring our veterans, Republicans have failed to deliver that which is needed or even what they promised in veterans benefits – while extending deployments of our soldiers overseas.**

Specifically, House Republicans have voted for \$28 billion in cuts in veterans' benefits [**H Con. Res 95, Vote #82, 3/21/03**], broke their promise on veterans' health care, voted against a bonus for our troops [**H. Amdt. 423, Vote #554, 10/17/03**], and voted against more support for the troops [**H.R. 3289, Vote #567, 10/21/03**]. And this year, the President's budget proposes to raise health care costs for over 1 million veterans, just as he has done each year in office, while providing \$2.5 billion less than the bipartisan Veterans Affairs committee has said is needed maintain current services for veterans' health care. Further, Republicans have failed to repeal the Disabled Veterans' Tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive – instead only fixing this for only one-third of our disabled military retirees.

Honoring our veterans and soldiers is particularly important to rural American families as they are bearing a large share of the burden that enables our country to meet security commitments at home and abroad. Several analysis (one by statistician Robert Cushing and reported by the *Austin American-Statesman* and one by Rep. Skelton) have demonstrated the huge toll that the war in Iraq and Afghanistan are having on rural communities as a disproportionate share of soldiers dieing are from rural cities and towns.

## **Law Enforcement/Homeland Security**

**Even though our first responders are in greater demand with elevated terrorist alerts, this year's President's budget includes a net cut in first responder funding.** This cut is the result of slashing first responder formula-based grants by \$821 million, or 37 percent, and slashing the separate Firefighter Grant program by \$246 million, or 33 percent. Further, it cuts aid to state and local law enforcement by a total of \$959 million or by 32 percent -- slashing the COPS program to put more police on the beat by 87 percent, just as they have since they came to office. In 2001 and 2002, President Bush proposed completely inadequate budgets for homeland security – even vetoing homeland security funds in 2002.

## **Republicans Voted to Slash Farm Programs**

**In this year's President's budget, agriculture funding takes one of the biggest hits.** Irresponsible fiscal policy has forced the reopening of the 2002 Farm Bill and the breaking of the promises Republicans made in areas like conservation spending. Nearly \$650 million was cut out of Farm Bill programs in Fiscal Year 2004 and even more will likely be cut this year. This has meant the scaling back of the new and eagerly awaited Conservation Security Program to just a few watersheds in selected states. It has also meant that wetlands protection is having to wait at the same time that President Bush is promising to protect and create more wetlands. Programs to enact soil and water quality practices, enhance wildlife habitat, protect farm and rangeland from conversion and rehabilitate aging watershed infrastructure are facing nearly a \$4.8 billion backlog.

In last year's budget resolution, House Republicans voted to cut \$18.6 billion in agriculture [#82, 3-21-03]. This would require a substantial rewriting of the 2002 farm bill, which was designed to provide a strong, reliable safety net on which farm families and communities can depend in times of need – would could harm farm commodity programs, crop insurance, or the Conservation Reserve Program (CRP).

## **Republicans Reject Meat Labeling, But Hastert Mistates his Position**

While campaigning in South Dakota for Republican congressional candidate Larry Diedrich, House Speaker Dennis Hastert said he would push for Country of Origin Labeling (COOL) legislation. But in Washington, Hastert stood by while Republican leaders delayed COOL legislation for two years and then three quarter of Republicans voted against it when asked to vote on the House Floor. [#354, 07-14-03] His spokesman had to clarify that he would only support voluntary COOL. As one newspaper commented, "... the House Republican leadership does not always take positions favorable to rural states like South Dakota - witness the debacle of having the pro-industry House Speaker Hastert misstating his own position on meat labeling while campaigning for Diedrich." (Rapid City Journal, 5/30/04)

## **Despite Inaction, Republicans Are Using Tobacco Buyout to Bribe the Voters**

On the issue of a tobacco buyout for farmers, in February, Speaker Hastert promised to bring a tobacco buyout bill up for a full vote in the House, but only if 6th District congressional candidate Alice Forgy Kerr was elected to Congress. Such legislation would end a Depression-era government program that controls production and guarantees tobacco growers a minimum price. Hastert promised that, if Kerr were elected, he would push tobacco buyout legislation through the House Agriculture Committee and to the full house for a vote. Kentucky is the nation's leading producer of burley tobacco. Revenues from the crop are estimated to have dropped below \$500 million annually in the state, down from more than \$900 million in 1998. Hastert's promise was nothing more than an insult to Kentuckians' intelligence. The Republicans control both houses of Congress and the White House. If they really wanted to pass legislation to help tobacco farmers, they could have done so long ago. President Bush has stated that he does not support a buyout for tobacco farmers. Responding to a question in Ohio, the President stated: "They've got the quota system in place – the allotment system – and I don't think that needs to be changed."