

# Wall Street's "Deficit Manifesto": Eighty Top CEOs tell Obama, Romney to Slash Social Spending

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*The chief executives of 80 large US corporations have issued a "Deficit Manifesto," calling on the next president to "fix America's debt" by making substantial "changes in the federal budget." The statement was published by the Wall Street Journal on Thursday.*

Behind the innocuous phrases is the demand by some of the richest individuals in America for the slashing of Medicare, Medicaid and Social Security and a general offensive against the working class.

The CEOs' letter, signed by a "Who's who" of CEOs at giant US banks, financial firms and industrial corporations, calls on politicians to acknowledge "that our growing debt is a serious threat to the economic well-being and security of the United States." It calls for Washington to adopt "an effective plan [to] stabilize the debt as a share of the economy, and put it on a downward path."

The plan should be enacted now, "but implemented gradually to protect the fragile economic recovery and to give Americans time to prepare for the changes in the federal budget." In other words, their proposals would worsen life for wide layers of the population, who need to "prepare" themselves for a drastic decline in their conditions.

Making no reference to the trillions of dollars made available to the banks during the financial bailout nor the trillions more that go toward imperialist war and the global defense of their economic interests, the company heads insist that the target of a plan to "fix America's debt" should concentrate on the programs that assist tens of millions of working people, the poor and retirees.

They argue that a plan must "Reform Medicare and Medicaid, improve efficiency in the overall health care system and limit future cost growth" and "Strengthen Social Security, so that it is solvent and will be there for future beneficiaries." These are code words for gutting these programs, which the wealthy consider an intolerable drain on resources.

The CEO statement also calls for "comprehensive and pro-growth tax reform, which broadens the base, lowers rates, raises revenues and reduces the deficit." Felix Salmon of Reuters comments, "You *can't* have lower rates and higher revenues—not without eviscerating pretty much all of the tax deductions which much of the middle class has learned to rely upon. Mortgage-interest tax relief, the charitable deduction, even the deduction for state and local taxes: pretty much all of them would have to go."

Salmon comments sardonically that "the letter basically just says 'please cut our taxes,

raise taxes on everybody else, and cut the benefits they get from Medicare, Medicaid, and Social Security, which are programs we individually don't rely upon.'"

The statement concludes by calling on Washington to implement the recommendations of the 2010 bipartisan Bowles-Simpson Commission.

Those included some \$4 trillion in budget savings to be achieved almost entirely at the expense of the working population: new taxes on consumption and employee health care benefits and cuts to the federal old-age insurance programs, Social Security and Medicare, and to the jobs and pay of government workers. At the same time, Bowles-Simpson called for large tax cuts for the rich and corporations.

In fact, the *Wall Street Journal* points out that the CEO manifesto "was organized by the Fix the Debt campaign, a bipartisan effort largely inspired by Republican Alan Simpson and Democrat Erskine Bowles, who chaired a 2010 deficit panel appointed by President Obama and have been crisscrossing the country sounding fiscal alarms."

The new "manifesto" comes on top of a letter issued last week by 15 CEOs of banks, brokerages and insurance companies calling for the federal budget to be reduced and warning that failure to take action by the end of the year could result in renewed financial crisis and economic slump. Among its signatories were Jamie Dimon, CEO of JP Morgan Chase; Lloyd Blankfein, CEO of Goldman Sachs; Michael Corbat, CEO of Citibank; John Stumpf, CEO of Wells Fargo; and Brian Moynihan, CEO of Bank of America. (See "[Wall Street issues its orders to Obama, Romney](#)")

Dimon, Blankfein and Moynihan also attached their names to this week's open letter. Among its other signers were the CEOs of Alcoa, AT&T, Boeing, Caterpillar, Delta Airlines, Dow Chemical, GE, Merck, Microsoft, Time Warner, UPS, Verizon, etc. Financiers, speculators and asset managers are also on the list, including Leon Black of Apollo Global Management, Larry Fink of BlackRock (with \$3.3 trillion in assets under management, the world's largest such firm), Martin L. Flanagan of Invesco and Thomas M. Joyce of Knight Capital Group.

It seems probable that every one of the 80 on the list is a multi-millionaire, simply on the basis of his or her annual compensation. A little investigation reveals that the following signatories did well for themselves last year: David Cote of Honeywell took in \$56 million in total compensation (fifth-highest paid executive in the US), Dimon of JPMorgan Chase earned \$42 million, Paul Jacobs of Qualcomm made \$36 million, Randall Stephenson of AT&T, \$26 million, Alexander Cutler of Eaton Corp., \$26 million also, BlackRock's Fink, \$23 million, Jeffrey Immelt of GE, \$21 million, Goldman Sachs' Blankfein, \$21 million as well, and Glenn A Britt of Time Warner, \$17 million.

How many billionaires are there among the "Deficit Manifesto" signers? Steve Ballmer of Microsoft, worth \$16 billion and the 19th richest person in America, according to Forbes, is one. Fellow billionaires Leon Black, Andrew and James Tisch of Loews Corporation, Bill Ackman of Pershing Square Capital Management and Steven Roth of Vornado Realty are also on the list.

Eighty corporate-financial thieves, who between them are largely to blame for the financial disaster of 2008, who are collectively responsible for the destruction for countless jobs and entire communities, publicly inform the political powers that be what the policies of the next government—theoretically still elected by the populace—are to be.

And, of course, the response of the Obama and Romney camps to the CEO letter was sympathetic and even enthusiastically supportive. The *Journal* cites the comment of Obama campaign spokesman Ben LaBolt: “There’s a strong and growing consensus that the only way to reduce the deficit while also growing the economy is through a balanced approach that includes both tough spending cuts and increased revenue.”

Romney campaign spokeswoman Amanda Henneberg told the newspaper, “As president, [Romney] will bring his record of bipartisan success to Washington and put us on a path to achieve more than the Simpson-Bowles commission ever proposed—balancing the budget within the next 10 years.”

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