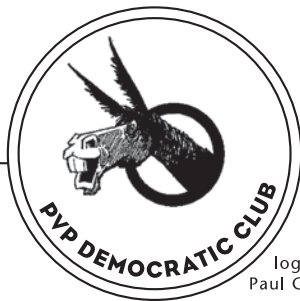


Palos Verdes Peninsula
Democratic Club
Founded 1952



November 2012 Newsletter

P.O. Box 2234, Rolling Hills Est. CA 90274
Visit Us on the Web at www.pvpdemocrats.org
"One of the oldest Democratic Clubs in California"

COMING EVENTS

NOVEMBER MEETING:

SAVE THE DATE: Sunday, November 18, 2012, 2:30-4:30 p.m.

LOCATION: Peninsula Center Library.

TOPICS & SPEAKERS:

Public Banking – The Key to Local Investing - Speaker, Marc Armstrong
Get the Facts About the Affordable Care Act - Speaker, Brietta R. Clark

JANUARY MEETING:

SAVE THE DATE: Saturday, January 19, 2013, 2:30-4:30 p.m.

LOCATION: TBD

SPEAKER: Governor Michael Dukakis

NOTE: There will be no club meeting in December. See you in 2013!

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November Meeting: Public Banking and Facts About the Affordable Care Act

We end our year-long series of informational programs about subjects that affect all of us with two great topics and two more very qualified speakers.

Marc Armstrong's background as a business development and communications consultant, having worked for IBM Finance with both Bank of America and Wells Fargo Wholesale Banking Divisions as primary customers, prepared him for his current, voluntary endeavor. He became interested in the topic of monetary reform and public banking after reading Ellen Brown's book, "The Web of Debt." (<http://www.webofdebt.com/>)

According to his article in the Public Banking Institute Newsletter, August 2012, "Washington and the regulators are there to serve the banks," according to Rep. Spencer Bachus (R-Ala.), who chairs the House Financial Services Committee in charge of banking policy. "At least citizens, using a public bank, have the power to make affordable loans for the benefit of their own city, county, or state." His focus will be on county owned banks.

Our second speaker, Professor Brietta Clark, is well versed on the subject of health care law. She teaches "several health care law courses, administrative law and business associations, and she remains active in the health law community," according to the Law School Directory. She has "focused on the structural defects and biases that create inequality in our health care delivery and financial systems ..."

"Most people are aware of the challenge to the individual mandate," she said, "which would require that as of 2014 everyone either buy insurance or pay a fine if they don't qualify for some exemption." The other has to do with Medicaid. "The Supreme Court's opinion is very long, and it will likely take legal scholars some time to understand and debate the full implications of this decision..."

We hope you will come, be informed, and then have a great Thanksgiving Day Table Discussion!

October Meeting Report

By Christine Mei

Club Business

Club President Connie Sullivan opened the meeting with the following announcements:

- a) A meet-and-greet event for Henry Waxman on Wednesday, October 24, 7 – 8:30 PM at Rascha and David Hall's home, 6603 Madeline Cove Drive, RPV.
- b) Phone banking for Henry Waxman hosted by our club on Thursday, October 25, 5-8 PM at Starbucks in the Peninsula Center.
- c) A watch party for the last presidential debate at Al Muratsuchi's campaign headquarters on Monday, October 22. The address is 1628 Cravens Ave, Torrance.
- d) Volunteers are needed for phone banking at Al's headquarters Monday through Thursday and for canvassing on weekends.
- e) The board is seeking volunteers to fill

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three positions: the membership chair for 2013-2014, the parliamentarian and the publicity chair for 2012-2013.



Rascha Hall, president of HHHT

Rascha Hall, president of Helping the Homeless Help Themselves (HHHT), invited the audience to purchase raffle tickets to help HHHT raise funds. The raffle prize is a one-week stay in a condo in Palm Desert beginning Monday, November 26. The ticket price is \$100.

Social Security

Jean McDonald, the club's 2nd VP, introduced the speaker, Mr. Michael Hiltzik, the award winning Los Angeles Times columnist. In 1999, Mr. Hiltzik shared the Pulitzer Prize with Times staff writer Chuck Philips for the articles they wrote on corruption and payola in the music industry. He has also written numerous books, most recently *The New Deal: A Modern History*.

Misconceptions and the Truth

The Social Security program is under attack as never before, Mr. Hiltzik proclaimed at the beginning of his speech. Its critics call the program a Ponzi scheme; a bunch of IOUs; a contributor to the federal deficit and a program that is going broke. The truth is contrary, Mr. Hiltzik told the audience. The Social Security Trust Fund actually possesses real assets and is backed by the full faith and credit of the United States government. The program is not going broke. It is today running a surplus.



Michael Hiltzik, Los Angeles Times Columnist

The Origins

In 1934, President Franklin D. Roosevelt created the Committee for Economic Security to draft the Social Security Act. The bill was drafted under the guidance of Labor Secretary Frances Perkins, the first woman cabinet member in American history. At the time, the Depression had left too many families unable to take care of themselves. Roosevelt proposed the New Deal to help families in dire needs. Social Security was one of the programs created by the New Deal.

The program was enacted in 1935. It is a contributory lifetime government pension program. Every worker and every generation makes contributions into the system. It creates a safety net for all working people and their families. Thus even in tough times, retirees and the disabled will always have Social Security income to help them put food on the table and have a roof over their heads.

Social Security is not just a retirement program, Mr. Hiltzik emphasized. It is a social insurance program that covers the survivors of workers who die before they can collect the benefits themselves.

The Three Principles

The drafters of the program envisioned three underlying principles:

A) **Universality** – The program covers all working Americans regardless of their job, profession, or income. The drafters opposed a means-tested program. They felt means-testing was demeaning because it would require the recipients to demonstrate their destitution before bureaucrats. It would make them feel like

second-class citizens. In addition, if the program only served the weakest and disfranchised members of the society, it could easily be cut by future Congresses to save money.

B) **Invest Only in Treasury Securities** – The drafters of the program would like to build up a sizable reserve for the trust fund, so the program would never require the infusion of capital from the general government revenues. It was estimated that the fund would grow to \$47 billion by 1980, a huge sum of money by 1935 standards. The conservatives wanted to limit the size of the reserve, so it would not become a slush fund for government officials in the future. Congress decided to keep Social Security out of the stock market and invest exclusively in Treasury securities.

The assets in the Social Security Trust Fund today are worth \$2.7 trillion. They are not IOUs. They are real assets.

C) **Legacy Debt** - When Social Security was first enacted in 1935, there was one question: how to serve Americans who are at or near retirement? The younger workers had time to fully fund their retirement through their contributions. People near the retirement age did not have time to put enough money into the system. For a worker making \$50 a month (the average salary in 1935), the monthly retirement benefit after five years of working would be \$0.24, an insufficient amount for retirement even in 1935. The drafters wanted the program to pay some of the benefits to those who had not earned enough through their work. So instead of paying a tiny amount to those at or near retirement age, the benefit would be fixed at 15% of their average annual wage plus a percent or two for every year they managed to contribute. The balance would be borrowed from the contribution pool.

The legacy debt is counting on every generation to cover the obligation this nation had to its forebears. This is the fundamental principle of the New Deal: the principle of shared responsibility.

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Expanding Social Security Benefits

The Social Security program serves 55 million beneficiaries today. It is run efficiently with no scandal and very low administrative costs. Mr. Hiltzik hopes that, instead of shrinking the program, Congress would expand it. Congress should increase the benefits across the board by benchmarking CPI for seniors. They should give caretaker credit not recognized by Social Security today. They should restore the benefits for dependents of deceased workers up to the age of 21 if they are in school or college, instead of only 18 or 19 today.

Mr. Hiltzik concluded his speech by urging the audience to vote for candidates who are willing to stand up for Social Security, Medicare and Medicaid.

Among many questions raised during the question and answer period, the question on whether Social Security will run out of money elicited lengthy explanation by Mr. Hiltzik. He told the audience that the Social Security Trust Fund will probably run out somewhere around 2033. After that the revenue for Social Security will mainly come from the payroll tax, which will be able to cover approximately 75% of benefits. There are many ways to close that gap, Mr. Hiltzik said. Under no circumstances is Social Security going to run out of money.

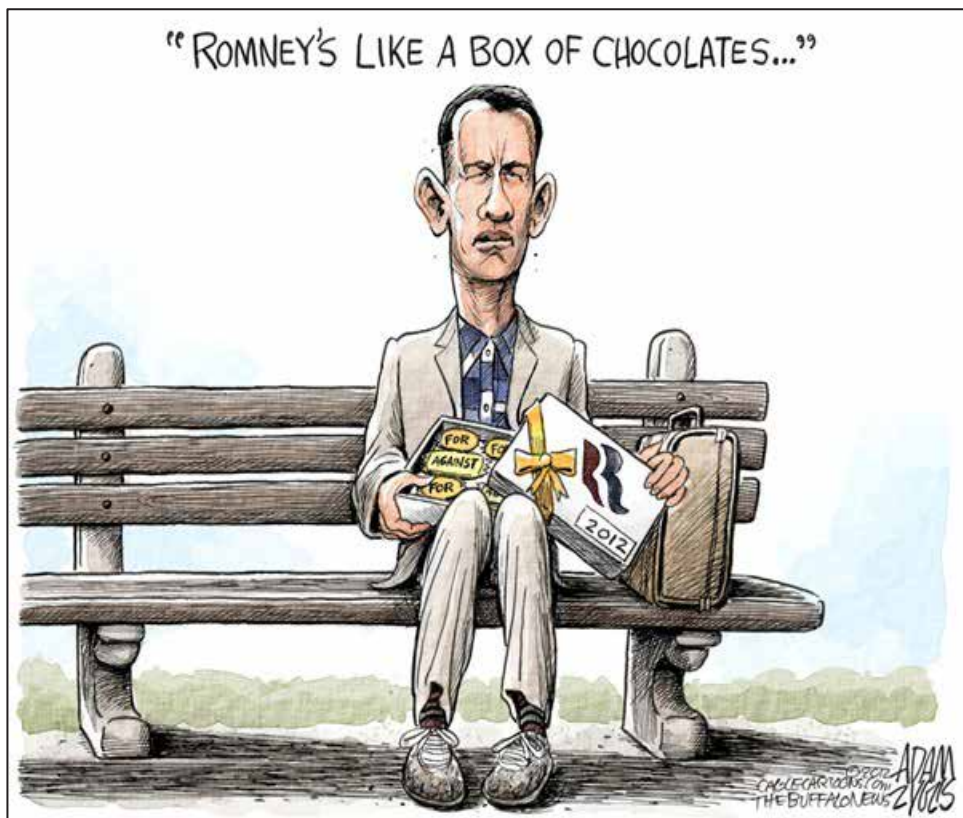
Other questions raised included the impact of rising life expectancy on the program, the privatization of Social Security, Propositions 37 and 38, and Medicare.

The meeting was adjourned after several Obama campaign items were raffled off.

What Should the Club's Goals be for 2013?

By Hans Grellmann

In the past year, the club has had many interesting speakers on a variety of subjects from Health Care to Nuclear Power and Social Security. In addition, 2012 being a presidential election year, many members have been involved in the election campaign, calling voters, going door to door or contributing money. 2013 will not be a major election year. That will give us the time and opportunity to be politically active in some other way.



The club board would like to invite all club members to weigh in on what you would like the club to accomplish in 2013, including what the topics of our meetings should be.

There are so many problems facing this country, it sometimes seems overwhelming. Nevertheless, it would be helpful to make a list, organize our thinking and come up with a plan for this next year. Here are just a few potential topics: The political inaction in the US on global warming. The corruption in our political system caused by the power and influence of big money. Should our Constitution be changed? Does the electoral college make sense today? Should the military budget be reduced? How can schools be improved? How can we promote progressive values and oppose the right-wing propaganda that has been so successful? Should the

club get involved in getting members to sign important petitions? Are members satisfied with the newsletter format?

We want to make it easy for you to submit your ideas. Just send them to me at pvegrellmann@dslextreme.com or leave a phone message at 310 373-3066. We will report back on the inputs and continue the discussion in the club newsletter.

Club Expenditures in October

By Connie Sullivan

In September the PVP Democratic Club board voted to contribute \$100 to Yes on 30, \$100 to No on 32, and \$100 to Yes on 34. We made these expenditures in October.

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Palos Verdes Peninsula Democratic Club
 Founded 1952

P.O. Box 2234,
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Palos Verdes Peninsula Democratic Club

Founded in 1952 - One of the oldest and largest Democratic Clubs in California

As a member of the PVP Democratic Club, you can:

- Meet other Democrats
- Meet and get to know your elected officials, raise funds and work for candidates
- Attend special events and monthly meetings
- Hear speakers and discuss issues of local, state and national import

Please Send your membership form to P.O. Box 2234, Rolling Hills Est. Ca 90274

Name _____ I am a registered Democrat
 Name* _____ I am a registered Democrat

* Fill in if Applying as a Family - two memberships

Residence Address _____ Phone _____

City _____ Zip _____ Cell _____

Occupation _____

Employer _____

E-mail Address _____

*Select One: Individual: \$ 25.00/Year Family Membership \$40.00/Year
 Young Adult \$10.00/Year

Amount enclosed _____ Renewal New Member

Please contact me to help in the following areas:

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 Voter Registration Campaign Work Website/Facebook Phone Tree
 I might offer my home for a meeting or social event