



Louisiana Public Square

“Louisiana’s Stake: Presidential Election ‘08”

On November 4th, Louisiana voters, like those in the rest of the nation, will be casting their ballot for the next President of the United States. With the nomination of an African-American for the top of one ticket and a woman as the running mate on the other, this election already promises new possibilities for the country.

But America’s next leader will inherit rising unemployment, a projected economic recession and the largest market intervention plan in the nation’s history. It’s no wonder that 69% of voters surveyed in a recent Gallup poll listed “the economy” as their biggest concern.

The following guide gives an overview of both presidential candidates’ positions on that issue plus others of special interest to Louisiana voters. Included are statements provided by spokesmen from both the Louisiana Democratic and Louisiana Republican Party on the value of their respective candidate’s proposals to the state.

For a more detailed explanation of the candidates’ positions on the topics listed as well as other issues not addressed, please visit the following websites:

- Senator John McCain (R) <http://www.johnmccain.com>
- Louisiana Republican Party <http://www.lagop.com/>
- Senator Barack Obama (D) <http://www.barackobama.com>
- Louisiana Democratic Party <http://www.lademo.org/>

For a thorough analysis of the candidates’ tax proposals, visit the Tax Policy Center website at: <http://www.taxpolicycenter.org>. The Tax Policy Center is a joint venture of the Brookings Institution, a nonprofit public policy organization; and the Urban Institute, an economic and social policy research association.

To substantiate the accuracy of many of the claims made during this year’s presidential campaign, visit Fact Check.org’s website at: <http://www.factcheck.org> Fact Check.org identifies itself as a nonpartisan, nonprofit “consumer advocate” for voters.

Voters are invited to explore these and similar websites for an objective examination of the candidates’ positions. All Louisianans are also strongly encouraged to participate in the political process by casting their vote on November 4th.



THE ECONOMY

America's next leader will inherit rising unemployment, a projected economic recession and the largest market intervention plan in the nation's history. While high oil prices and hurricane reconstruction continue to drive Louisiana's economy, the state has not been immune to the nation's financial instability. At the end of September, General Motors laid off an entire shift at its Shreveport assembly plant, costing the jobs of 798 employees. And according to the Federal Labor Department more than 30,000 new claims for jobless benefits were filed in Louisiana since hurricanes Gustav and Ike.

Senator John McCain (R)	Senator Barack Obama (D)
<p><u>JOBS</u></p> <ul style="list-style-type: none"> - Spur economy and job growth by cutting corporate tax rate and maintaining current rates on dividends and capital gains - Leave minimum wage at \$7.25 an hour, where current law will take it to by 2009. - Opposed to tying future raises to inflation <p><u>TAXES</u></p> <ul style="list-style-type: none"> - Make 2001 and 2003 tax cuts permanent for everyone - Keep capital gains and dividend tax rates as they are - Permanently reduce the reach of the Alternative Minimum Tax, the so-called "wealth tax" that impacts the middle class <p><u>TAX PLAN OFFSET</u></p> <ul style="list-style-type: none"> - Help pay for tax cuts through energy independence; creating new jobs in the clean energy sector and developing new automotive technologies to boost economic growth <p><u>How McCain's plan could benefit Louisiana:</u> <i>"Sen. McCain's government reforms echo what Gov. Jindal has already effectively done here in Louisiana--reducing wasteful spending and maximizing job creation through tax benefits and innovative reform policy. Lowering gas and food prices helps Louisianans keep more money in their pockets for savings and health care.... Increasing taxes during challenging economic times is not sound fiscal policy."</i> Louisiana Republican Party Spokesman</p>	<p><u>JOBS</u></p> <ul style="list-style-type: none"> - Fund federal workforce training programs and direct these programs to incorporate "green" technologies training - Raise minimum wage to \$9.50 an hour by 2011 and tie future rises to inflation <p><u>TAXES</u></p> <ul style="list-style-type: none"> - Leave tax cuts in place for everyone except couples making more than \$250,000 and single filers making more than \$200,000 - Raise capital gains and dividend tax rates to 20% from 15% on same groups - Introduce new tax breaks for lower and middle-income households <p><u>TAX PLAN OFFSET</u></p> <ul style="list-style-type: none"> - Help pay for new proposals by drawing down troops from the Iraq War, raising taxes on high-income filers and cutting certain corporate loopholes. <p><u>How Obama's plan could benefit Louisiana:</u> <i>"Besides his tax cuts for 95 percent of American families, Sen. Obama has also pledged to eliminate all capital gains taxes on start-up and small businesses to encourage innovation and job creation, as well as expand the Child and Dependent Care Tax Credit. Sen. McCain, by contrast wants to make the Bush tax cuts permanent and give the wealthiest corporations up to \$400 billion in tax breaks."</i> Louisiana Democratic Party Spokesman</p>

ANALYSIS

A [full report](#) by the Tax Policy Center on both candidates' tax plans indicate they have a "back-to-the future" look to them. Senator McCain continues major themes of the Bush administration – lower marginal rates and low taxes on capital – while Senator Obama follows the Clinton administration approach of expanding targeted tax breaks for social policy objectives while also introducing new tax breaks. According to the Center's analysis, a couple earning \$35,770, the average per capita income in Louisiana, would see estimated savings of \$118 under [McCain's plan](#) and \$892 dollars under [Obama's](#).

The Center's [Executive Summary](#) also indicates that both candidates' tax plans would substantially increase the national debt by 2018. Including interest, McCain's plan would increase the debt by \$5 trillion; Obama's tax plan by \$3.5 trillion. The report also suggests that neither plan would "significantly increase economic growth unless offset by spending cuts or tax increases that the campaigns have not specified."



THE IRAQ WAR

While currently eclipsed by the topic of the economy, the Iraq War still remains the most important foreign policy issue during the 2008 election. In a state that has seen 82 soldier deaths and 589 soldier casualties since the war began, all Louisiana residents continue to closely monitor the events taking place more than 6,000 miles away.

Senator John McCain (R)	Senator Barack Obama (D)
<p><u>IRAQ WAR</u></p> <ul style="list-style-type: none"> -Voted in '02 to support use of military force against Iraq -Believes timetable should be dictated by the conditions on the ground but has mentioned cutting in half the number of U.S. troops based in Iraq to 75,000 by 2013 - Goal is an Iraq that can stand on its own as a “democratic ally” and a “force for peace” - Favors continuing the counterinsurgency (“surge”) strategy that began in 2007 <p><u>How McCain’s plan could benefit Louisiana:</u> <i>“Thanks to the success of the surge, Iraq’s political order is evolving in positive and hopeful ways. Four out of the six laws cited as benchmarks by the U.S. have been passed by the Iraqi legislature. A law on amnesty and a law rolling back some of the harsher restrictions against former employees of the Iraqi government have made it possible for Iraqis to move toward genuine reconciliation....A stable democratic Iraq benefits the United States. When Iraq is stable and secure we will have a second democratic ally in the region and our troops can return with honor.”</i> Louisiana Republican Party Spokesman</p>	<p><u>IRAQ WAR</u></p> <ul style="list-style-type: none"> - Was not in Congress in '02 but as a State Senator opposed use of military force in Iraq - Initially proposed troops removed from Iraq within 16 months ending by summer 2010. During debates has altered that to “reduction of troops” in 16 months -Would maintain residual force to perform specific missions in Iraq, like targeting remnants of al Qaeda, and supporting Iraq’s security forces -Voted against the so called “surge” legislation in 2007 <p><u>How Obama’s plan could benefit Louisiana:</u> <i>“He’s pledged to end the war in Iraq responsibly, by withdrawing troops from Iraq within 16 months – a timetable that’s been endorsed by the Iraqi prime minister. America has spent more than \$600 billion on the war in Iraq, and it’s costing us \$10 billion a month. Sen. Obama believes our troops have fulfilled their mission with incredible honor and bravery, and now it’s time for the Iraqi government to take responsibility for rebuilding its own country – especially considering that Iraq is sitting on almost \$80 billion in oil profits and hasn’t spent a dime of it. We have more than 1,000 Louisiana troops in Iraq, and they deserve to come home.”</i> Louisiana Democratic Party Spokesman</p>

ANALYSIS

At the heart of McCain’s policy is that withdrawal from Iraq too quickly will leave us with a larger problem. But the need for troops available to handle rising violence in Afghanistan, led even President Bush to agree to a [“time horizon”](#) with Iraq’s prime minister earlier this year for troop withdrawal from the country.

At the heart of Obama’s policy is that setting a timetable is the best way to force Iraqi to make the hard choices towards political reform. But the surge that Obama opposed included not only an increase in troops but a new military strategy which has already assisted in [positive developments](#) among Sunnis and Sadr’s Shiite militia.

So where do Americans stand on the issue? A [Gallup Poll](#) on the Iraq War indicates that while a majority of Americans feel the “surge” is making the situation in Iraq “better”, an even larger majority feel that the U.S. made a “mistake” by sending troops into Iraq at all. And even after more than 5 years into the War, a slight majority of respondents, 40% to 38% thinks the U.S. is “more likely to be attacked by terrorists” if it keeps its forces in Iraq.

While both candidates disagree on when and how many troops should return home, they have indicated using savings from the drawdown to either reduce the deficit (McCain) or pay for new proposals (Obama). But [analysts say](#) that since the government is borrowing money to pay for the Iraq War, deciding to spend less of that money won’t reduce the current deficit nor will it free up any real money to pay for new endeavors. And for awhile, the country may even end up borrowing more because of the additional costs of bringing troops and equipment home.



ENERGY POLICY

Rising energy prices benefit Louisiana’s oil and gas producers and increase state revenues. But Louisiana’s petrochemical industry, which relies almost exclusively on natural gas for power, has been forced to make layoffs to cover rising costs. Consumers at all levels in the state are being presented this election with two multi-layered plans to address the future direction of the nation’s energy policy.

Senator John McCain (R)

- Use mix of free market, government incentives and a lower corporate tax rate to foster renewable energy
- More offshore drilling
- Construct 45 new nuclear reactors by 2030
- Repeal the 54 cents per gallon tax on imported sugar-based ethanol to increase competition & lower gas prices
- Opposes Windfall Profits Tax
- Work to reduce carbon emissions 60% below 1990 levels by 2050.

How McCain’s plan could benefit Louisiana:

“Senator McCain believes in an “all of the above” energy strategy. Domestic oil exploration ... institute tax credits for people who purchase zero-carbon-emission cars... research into alcohol-and cellulosic ethanol- based fuels. ... invest in clean, alternative sources of energy ... An increase in the use of nuclear power will mean an increase in the operations of Louisiana’s two nuclear facilities,. resulting in more jobs ...expanding the domestic oil and gas industry will result in an increase in the offshore oil drilling in Louisiana and the Gulf Coast as well.”

Louisiana Republican Party Spokesman

Senator Barack Obama (D)

- Stresses conservation, the development of alternative fuels and an increase in efficiencies
- Require oil companies to develop the 68 million acres of land (over 40 million of which are offshore) which they have already leased
- Ensure 10 percent of our electricity comes from renewable sources by 2012, and 25 percent by 2025.
- Supports Windfall Profits Tax
- Work to reduce carbon emissions 80% below 1990 levels by 2050.

How Obama’s plan could benefit Louisiana:

“It’s a multi-faceted approach: encouraging development of more than 40 million acres of domestic oil leases that aren’t currently being drilled on, as well as a \$150 billion investment in renewable energy and clean energy such as wind and solar energy. America is always going to rely on Louisiana’s oil and gas production, and that won’t change – Sen. Obama is committed to reducing our dependence on foreign oil. Sen. Obama’s commitment to green energy is an incredible investment opportunity for Louisiana that will create new jobs. “

Louisiana Democratic Party Spokesman

ANALYSIS

Since the 27 year moratorium on offshore drilling expired September 30th, drilling can now take place as close as three miles from shore. That worries environmental groups like the [Natural Resources Defense](#) Council, which says there were 187 large oil spills between 1981 and 2005. Proponents of doing away with drilling restrictions claim US refineries will now have access to tens of billions of barrels of domestically produced oil.

But according to analysts with the [Energy and Information Administration](#), new offshore drilling could take up to 22 years to have any significant impact on oil and gas production and prices. And Eric Smith, Director of the Tulane Energy Institute, indicates that while deepwater drilling programs should be productive in areas 150 to 200 miles offshore of Louisiana, "the oil is not good quality."



DISASTER RESPONSE & COASTAL RECOVERY

Hit by four major hurricanes in just three years, Louisiana has a vested interest in how the federal government responds to natural disasters. As wetlands and barrier islands continue to disappear, making our coastal communities more vulnerable to storm surges, Louisiana also looks for a strong advocate for coastal restoration at the national level.

Senator John McCain (R)	Senator Barack Obama (D)
<p><u>DISASTER RESPONSE</u></p> <ul style="list-style-type: none"> -Voted on numerous occasions to keep FEMA part of the Department of Homeland Security - Advocates FEMA disaster recovery efforts leveraging private sector expertise during times of crisis - Government-run Emergency Operations Centers across the nation should include a Business Operations Center <p><u>COASTAL RESTORATION</u></p> <ul style="list-style-type: none"> - Web site states McCain would “employ long-term science-based strategies that properly manage strained freshwater resources, like the Great Lakes watershed, and promote policies that will preserve sensitive areas like the Everglades and the Louisiana coastal marshes.” <p><u>How McCain’s plan could benefit Louisiana:</u> <i>“Sen. McCain actively cares about the coastlands of Louisiana and has visited numerous times with Gov. Jindal to discuss legislative action to preserve our coasts. He called for investment in Louisiana coasts and extensive category 5 protections by 2011. He said last April that “never, never again will a disaster of this nature be handled in the terrible and disgraceful manner as this was handled.” ..McCain visited Louisiana 3 times since our state’s primary and Obama has not made a single visit. Senator McCain and Governor Jindal have a strong working relationship and they are the best team to restore our coastlines.”</i> Louisiana Republican Party Spokesman</p>	<p><u>DISASTER RESPONSE</u></p> <ul style="list-style-type: none"> - Supports removing FEMA from the Department of Homeland Security; making it an independent agency as it had been in the 1990s - FEMA Director should have fixed term of office and report directly to the President - As president, would appoint a Federal Coordinating Officer to direct reconstruction efforts <p><u>COASTAL RESTORATION</u></p> <ul style="list-style-type: none"> - Would direct revenues from offshore oil and gas drilling to strengthen levees in New Orleans to Category 5 protection - Would Immediately close the Mississippi River Gulf Outlet, which experts say funneled floodwater into New Orleans following Katrina <p><u>How Obama’s plan could benefit Louisiana:</u> <i>“If he’s elected President, Sen. Obama has pledged to close the Mississippi River Gulf Outlet, which caused some of the most devastating flooding during Katrina. Sen. Obama will build up the marshlands and coastal areas surrounding that area; in addition, he’s also supported the Wetlands Reserve Program included in the farm bill. Finally, he’s pledged to work with Louisiana government to implement the best coastal restoration plan possible. On a related note, he also supports a national catastrophic emergency fund, which Sen. McCain opposes.”</i> Louisiana Democratic Party Spokesman</p>

ANALYSIS

Since Hurricane Katrina, Congress has passed the Post-Katrina Emergency Management Reform Act. It changed FEMA’s organizational structure, but problems remain. Louisiana state and local governments are still negotiating details of reimbursements for infrastructure replacement. Part of the problem is the Stafford Act, which authorizes the President to issue disaster declarations, allowing direct and financial assistance to individuals and governments. Critics say the law needs to allow for more flexibility – especially in providing cash assistance to local governments.

In June of this year, the U.S. Army Corps of Engineers forwarded its *Mississippi River Gulf Outlet (MRGO) Deep-Draft De-Authorization Study* to Congress. This act [officially de-authorized](#) the MRGO from the Gulf Intracoastal Waterway to the Gulf of Mexico. In addition to recommendations for de-authorization and construction of a closure structure, the plan will also address ecosystem restoration. Governor Jindal and the State Legislature dedicated \$300 million in surplus funds to the Coastal Protection and Restoration Fund during the 2008 Second Special Session. Of that, \$160.5 million will be used to advance hurricane protection efforts while \$110 million will go towards coastal restoration.



HEALTHCARE COSTS & THE UNINSURED

About 47 million Americans have no health insurance including 600,000 Louisianans. Both candidates approach the issue of the uninsured as well as rising healthcare costs with proposals that mirror their differing philosophies about the role of the free market and the federal government.

Senator John McCain (R)

- Proposes using competition to address rising healthcare costs and accessibility, putting more decision making power in consumer's hands
- Coverage would not be mandatory for anyone.
- Eliminates the tax break that employees receive if their employer provides their health care
- Offers refundable tax credit for anyone who buys health insurance.
- Creates a federally subsidized state-administered program to offer coverage for low-income people.

How McCain's plan could benefit Louisiana:

"John McCain will level the playing field by creating equal taxation among private individual providers and employer-provided insurance, while offering a \$5,000 tax credit to families to help offset the cost... This improves health care for small businesses and their employees and spurs competition across state lines, driving down costs."

Louisiana Republican Party Spokesman

Senator Barack Obama (D)

- Proposes a national health plan for all Americans to buy health coverage similar to the plan available to members of Congress
- Coverage would be mandatory for children.
- Offers income-based federal subsidy for people who don't get insurance from an employer or qualify for government plans like Medicaid.
- Creates national network of public and private plans for those without other access to insurance.
- Requires employers to either offer a plan, help pay for employee costs or pay into a national health care network.

How Obama's plan could benefit Louisiana:

"Senator Obama's plan allows for affordable health care insurance for every American, through either reducing costs in their existing private plan or offering a public-plan alternative, which includes subsidies for small businesses that need it. Right now those who have insurance are paying higher premiums to cover the costs of the uninsured, and that will change under Senator Obama's plan." Louisiana Democratic Party Spokesman

ANALYSIS

An [analysis](#) by the Tax Policy Center projects that over ten years McCain's healthcare plan would cost about \$1.3 trillion and reduce the number of uninsured Americans by about 5 million. Obama's plan would cost about \$1.6 trillion and reduce the number of uninsured by 34 million.

Despite projections by the Department of Health and Human Services that health spending will double by 2017, it is unlikely that any substantive healthcare reform will take place in the near future due to the funds committed to dealing with the bailout.