

THE STATE OF THE UNION UNDER GEORGE W. BUSH



*A report of America's ups and downs under the
43rd President of the United States*

AMERICA'S UPS & DOWNS: *The Economy*

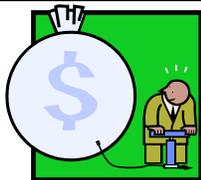
Unemployment



November and December 2002 unemployment climbed to 6% - the highest since 1994. All told, **1.7 million jobs have been lost** since January 2001. Currently, 8.6 million Americans are actively looking for work but unable to find it – **more than the combined total population of 10 states**. Additionally, the number of unemployed out of work for over six months has gone from 633,000 at the end of 2000 to 1.9 million – a 200% increase on path to produce **the worst job creation record of any administration in the last 58 years**. When Bush took office, unemployment had reached a 40-year low of 3.9%.



Stock Market



Between Dec 29, 2000 and the end of the third quarter of 2002, the total market value of all US equities has **dropped by 38% or by \$6.65 trillion** [Source: Federal Reserve]. Because of this, many portfolios have been decimated, postponing the retirement plans of many Americans for years.



Poverty



1.3 million more Americans slipped below the official poverty line in 2001, the **first increase since 1993**. 11.7% of all Americans fell below the poverty line in 2001, up from 11.3% in 2000 [Source: U.S. Census Bureau].



Public Confidence



In ABC News's January poll, 67% of Americans said they were worried about the economy, and 72% described the economy as either not good or poor. **73% said the economy was staying the same or getting even worse**. Similarly, a CNN poll showed 91% believe Congress and the President need to focus on the economy. However, in a subsequent CNN poll, **55% of respondents said President Bush is not paying enough attention to the economy**.



Bankruptcies



In two years, the U.S. had the highest rate of bankruptcy cases in history, increasing 23% since 2000 [Source: Administrative Office of the US Courts]. According to the Austin American Statesman, "During the past two years, **companies with \$626 billion in assets have filed for Chapter 11. That dwarfs the cumulative asset total of all the corporate bankruptcy filings logged during the previous decade.**"



Homelessness

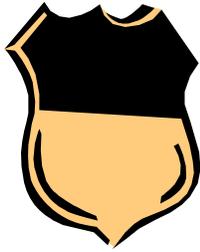


Requests for emergency shelter **increased by an average of 19% in 2002**, the largest annual increase in the demand for homeless shelter since 1990 [Source: U.S. Conf. Of Mayors.]



AMERICA'S UPS & DOWNS: Public Safety/Security

Homeland Security



In August 2002, President Bush vetoes a bipartisan homeland security package for port security, cockpit doors, border patrol, customs information systems, local first responder equipment, chemical weapons safety and other security shortfalls. Just four months before he was to propose another tax giveaway to the well-to-do, Bush rejected the funds on the grounds that the nation could not afford it. Then, just this month, **“the Senate rejected Democratic amendments to add first \$5 billion, then \$3 billion, for state and local emergency responders and the FBI, as well as security at airports, energy plants and elsewhere”** [AP, 1/17/03]. According to various experts like Senators Gary Hart (D-CO) and Warren Rudman (R-NH), **“America remains dangerously unprepared to prevent and respond to a catastrophic terrorist attack on U. S. soil.”** As they said in their report to Congress, “if a catastrophic terrorist attack occurred today, emergency first responders - police, firefighters, and emergency personnel - in most of the nation's cities and counties are no better prepared to react now than they were prior to September 11.” Even more troubling, former Republican governor Jim Gilmore said, **“The threats we face are not diminishing...The current reorganization in the Federal executive branch will not be a panacea in countering the threat posed by terrorists.”** [The Terrorism, 12/15/02]



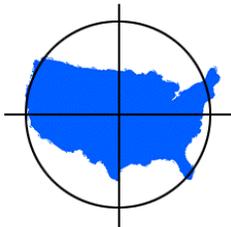
Catching Al Qaeda



According to former Bush deputy National Security Advisor, **“[al Qaeda] are probably more capable than before.”** Similarly, as reported in the Washington Post, “Some of those involved in the [al Qaeda] hunt said the government lost many and perhaps most of its best chances to kill the top targets in the critical first month of the war in Afghanistan...Struggles within the CIA and U.S. Central Command, and between them, prevented operators of the armed Predator drones from opening fire on terrorist targets with Hellfire missiles at least 15 times, according to sources directly involved” [12/24/02]. News reports of the last several months indicate little progress in moving on al Qaeda hideouts in the Afghan/Pakistan border region.



Terrorist Recruitment



According to the Washington Post, “Islamic militants linked to Osama bin Laden’s al Qaeda network are succeeding in a drive to recruit young men in mosques, cafes, and prisons for a ‘holy war’ against the United States...Successful recruitment in Western countries indicated **the threat of ‘Islamic terrorism’ toward Western countries was growing.**” [12/12/02]. Similarly, according to Agence France Presse, “active cells [in Europe] continue to channel funds, provide false documents, recruit members and plan attacks, terrorism experts say...French anti-terrorism judge Jean-Louis Bruguiere recently commented that: **‘It is absolutely certain that the threat before us is stronger than ever’.**” [11/27/02]



World Standing



Even after high levels of worldwide sympathy after the 9/11 attack, polls show **U.S. prestige has since plummeted to new lows in Europe, the Middle East and Asia** due to perceived arrogance/belligerence. According to Gallup’s Richard Burkholder, “large majorities in most of the [9 Islamic] countries [surveyed in 2002] associated the U.S. with such adjectives as ‘aggressive,’ ‘conceited,’ ‘easily provoked,’ ‘ruthless,’ as a country which adopted biased policies in world affairs...” [National Journal, 3/20/02].



AMERICA'S UPS & DOWNS: *Domestic Priorities*

<h2><u>Budget Deficit</u></h2> 	<p>A budget surplus of \$236 billion in 2000 has evaporated into a \$157 billion deficit for 2002, with more red ink projected. Many respected private sector budget forecasters now predict the Bush 2004 deficit to be in the \$300 to \$350 billion range, meaning <u>a half-trillion-dollar negative change in the government's fiscal picture since Bush took office.</u> The predicted 2004 deficit of \$350 billion would eclipse the previous record deficit level of \$290.4 billion set in 1992 by the first President Bush.</p> 
<h2><u>Education Funding</u></h2> 	<p>Weeks after the President's promise to "write a healthy check" for education when signing the "No Child Left Behind Act", he submitted a 2003 budget that actually <u>cut education the programs within the No Child Left Behind Act by \$90 million.</u> The White House 2004 budget proposal for Title I (the main program targeting aid to disadvantaged children) is expected to fall more than <u>\$6 billion short</u> of what is promised in the new education law.</p> 
<h2><u>Tax Breaks for the Well-to-Do</u></h2> 	<p>Almost <u>40% of Bush's first tax cut went to the richest 1% of the country</u> – those making more than \$373,000 per year. The average tax cut for that sliver of the population was <u>\$53,123.</u> Similarly, with Bush's second tax cut proposal, the same sliver of the population would receive an average tax cut of <u>\$30,127,</u> while the average working family would receive about \$289 [Source: Citizens for Tax Justice].</p> 
<h2><u>Uninsured</u></h2> 	<p><u>The number of Americans without health insurance rose by 1.4 million in 2001,</u> after dropping in 1999 and 2000 [Source: Census Bureau]. The percentage of small-businesses (under 200 employees) offering health benefits dropped from 67% in 2000 to 65% in 2001 and 61% in 2002 [Kaiser Family Foundation].</p> 
<h2><u>Health Care Costs</u></h2> 	<p>Monthly premiums for employer-sponsored health insurance <u>rose by 12.7%</u> between spring 2001 and spring 2002, <u>the largest increase since 1990</u> [Source: Kaiser Family Foundation]. Additionally, the Consumer Price Index for medical care rose at a rate of 5.1% during the first eleven months of 2002 and by 4.8% in 2001, compared to increases of 4.2% in 2000 and in the 2.9 to 3.7% range in the preceding four years [Source: BLS].</p> 

AMERICA'S UPS & DOWNS: *Domestic Priorities* (continued)

Environment



In June 2002, the EPA “warned in a report to the United Nations of **significant effects on the environment from climate change**” with “changes over the next few decades expected to put Southeastern coastal communities at greater risk of storm surges, prompt more uncomfortable heat waves in cities and reduce snowpack and water supplies in the West.” Nonetheless, “President Bush dismissed the report” suggesting “nothing to deal with heat-trapping ‘greenhouse’ pollution beyond voluntary action by industry [AP, 6/4/02]. Previously, **Bush unilaterally withdrew the United States from the Kyoto Treaty**, an international agreement to reduce greenhouse emissions.



Toxic Cleanups



In 2002, “**the Bush administration decided to designate fewer [toxic] sites for restoration and to shift the bulk of the costs from industry to taxpayers**” [NY Times, 2/24/02]. [CNN, 2/24/02]. Later that year, Bush’s “Environmental Protection Agency denied requests from its own regional offices to continue cleanup actions at 33 sites in 19 states” [Wall Street Journal, 7/2/02]



Crime



Serious crime is up 2.1% for 2001 - **the first increase in 10 years**, reversing the downward trend started in 1991; between 2000 and 2001, robberies up 3.7%, murders up 2.5% [Source: FBI Uniform Crime Reporting Program]. The upward trend expected to continue for 2002.

