

POLITICAL COVERAGE: Nuts and Bolts of the Parties

Come November, voters will make one of the most important decisions impacting America's future.

Unfortunately, many Americans are unenthused with their choices for President.

To help members decide who they will support, POA decided to focus on each of the Party's economic policies.

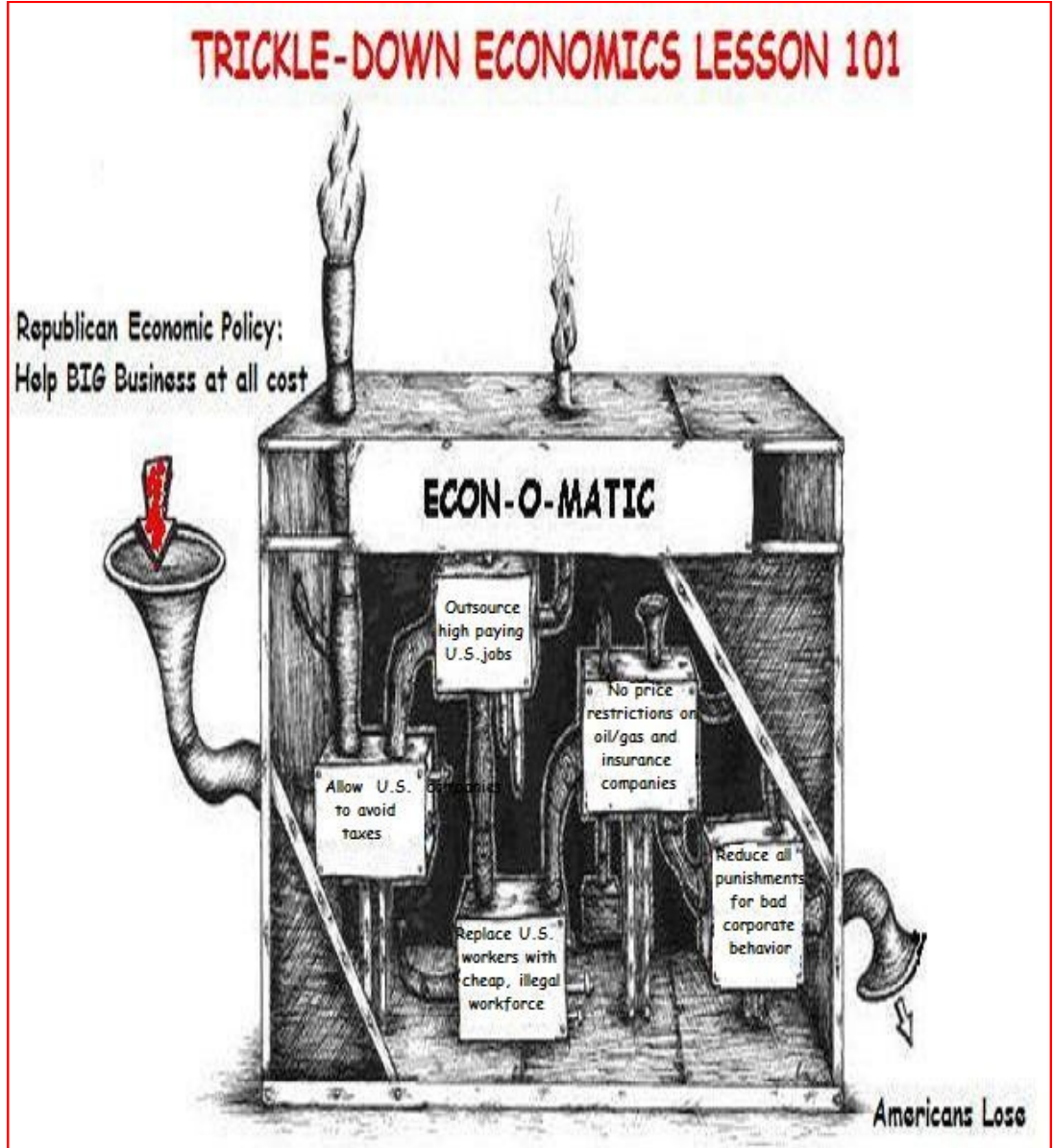
Whichever policy best suits you, is the Party for which you should vote.

Trickle Down:

Republicans believe in the "Trickle-Down" approach to economics as evidenced by the party's granting of big business' legislative wish list.

"Trickle Down" economics means that if you give big business and the very rich, tax and other juicy financial incentives, stack courts with pro-business judges who toss out penalties for bad behavior, and remove government regulations, the benefit will somehow trickle down to the general public or consumer. Republicans tend to couch this strategy as the "free market" system.

It may have worked but not for the free trade area agreements signed into law. Those free trade area agreements set the stage for businesses to outsource much of their labor and materials to cheaper



markets such as Pakistan, India, China, etc... instead of using labor and materials from the U.S.

This outsourcing siphoned off much of the trickle down benefits away from the American public. The benefactors of the Republican Party's "Top-Down" economics have been the Chinese, Indians, and other foreigners, but NOT the U.S. consumer who wound up on the short end of the stick because of factor closings and job losses, skyrocketing unemployment, and so on.

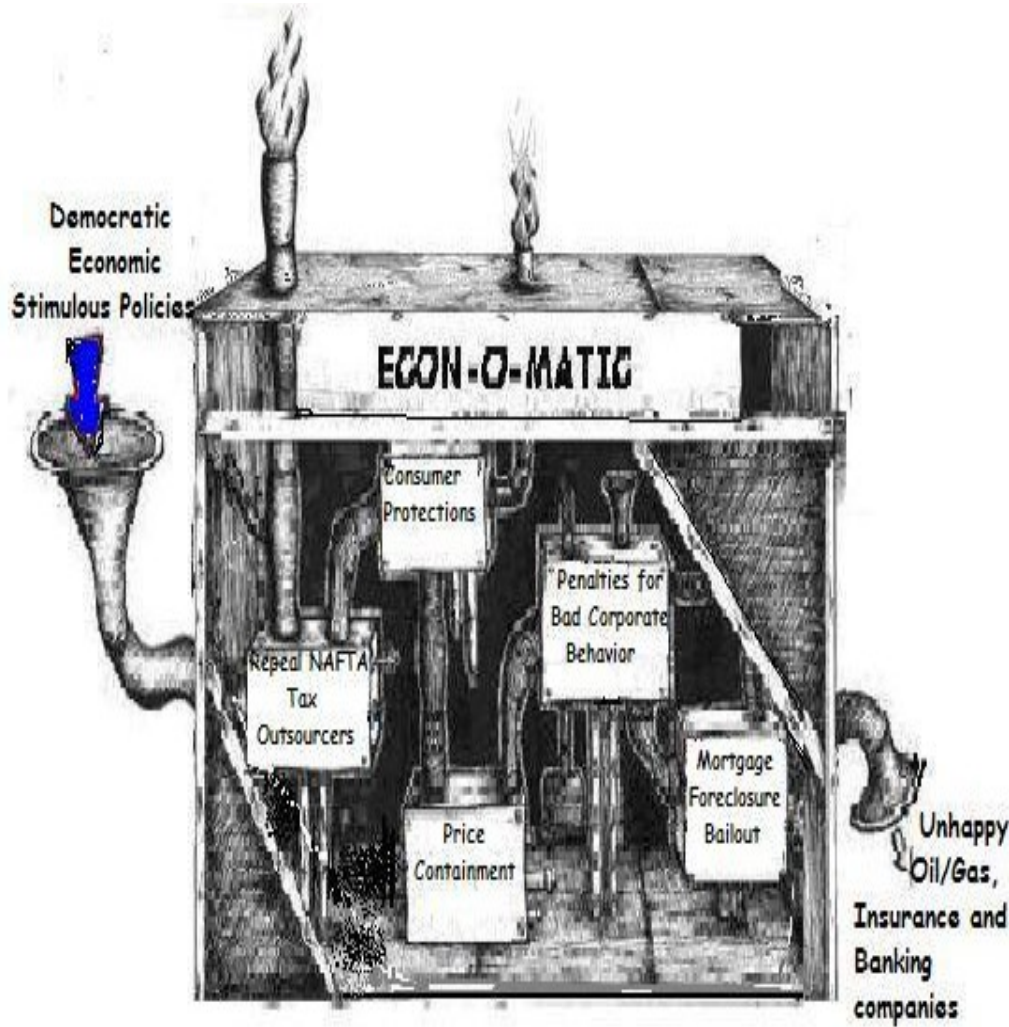
Bottom-Up:

Democrats, as a general rule, are thought to practice "Bottom-Up" economic policies aimed at benefiting the

masses, or general consumer. They reason that if and when the Average Joe consumer/taxpayer is empowered with financial assistance (be it in the form of employment opportunities, higher minimum wages, tax breaks, government-sponsored entitlement programs

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such as Universal Healthcare, etc...) the consumer will have more money to spend on goods and services and the resulting spending spree will flow upwards to generate additional revenue for businesses selling those goods and services.

Fiscal Policies:

Republicans profess to be more capable of watching the cash register yet under George Bush, the U.S. has

racked up an astonishing deficit, causing a much weaker dollar. It takes more dollars today to buy the same goods and services made overseas by foreign workers than it did during the Clinton years.

Not Always so Easy

It's rare that a Republican candidate will break from the Trickle-Down theories and McCain's recent pledge to stay the Bush economic course is troubling to the 72% of Americans who say they disapprove of Bush's policies. But, McCain must prove to the right-most wing of the Republican Party he "one of them". It remains to be seen whether or not Republicans in the U.S. House and Senate will bite the industry hands that feed them and denounce Bush's economic policies. It seems doubtful.

On the other side of the aisle, Senators like Chris Dodd of Connecticut is, on the surface, a good Democrat but he has been very insurance industry-friendly when it comes to his votes on the floor. So have some others who have been on the receiving end of large campaign contributions from insurance execs and PACs.

Ed Rust, State Farm's CEO, and many other State Farm execs have given Senator Obama thousands of dollars. Allstate Directors have done the same. Will Obama deliver?

In all fairness. Rust played it safe and also contributed to McCain's campaign. Ed Liddy, Allstate's Chairman, however, gave McCain the maximum amount allowed by law.

In the coming months, POA will detail the votes (and the non-votes) made by the Presidential candidates on legislation that could grant homeowners relief from insurance rate hikes and coverage woes. We'll attempt to bring into better focus the likely policies embraced by each Presidential nominee as well as the likely positions in key House and Senate races.