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With the help of information from an article by Jyoti Thottam in *Time* magazine (September 13), I will try to summarize the positions of Bush and Kerry on six major issues concerning the economy.

★ **Jobs.** Although the economy is showing a good 3 percent annual growth rate, jobs remain a thorny problem. Bush boasts of nearly 1.5 million jobs created since about this time last year. However, his administration presides over almost a 900,000 net job loss since he took office. Certainly, some of this loss is attributed to a recessionary economy when he took office plus the 9/11 blow. Bush's economic plan emphasizes cutting taxes to grow the economy and create jobs, while Kerry's plan addresses rising healthcare costs (which are a disincentive for companies to hire new workers) and giving companies tax credits to hire new workers. However, many economists disagree with both, believing priority should be given to reducing the deficit and changing the healthcare system.

★ **Taxes.** Most economists believe that Bush's initial tax cuts jump-started the economy through increased consumer spending after 9/11. However, now the issue is whether cutting taxes further will stimulate the economy enough to offset the increased deficit. Bush thinks more cuts will boost consumer spending even more plus give businesses an incentive to invest in equipment. Kerry disagrees, urging higher taxes for those earning more than \$200,000 a year and taxing corporate income earned in foreign countries.

★ **Healthcare.** Healthcare costs are increasing four times faster than just about everything else, and the cost of health benefits discourages some employers from hiring new workers; many prefer to use temps and subcontractors. Bush is promoting "health savings accounts" through tax-free deductions on workers' paychecks to cover routine care and limiting insurance to cover major medical expenses. Kerry is stressing tax credits for small businesses if they offer health insurance to their employees. By and large, economists see some merit in both positions.

★ **Debt.** Bush favors additional tax breaks to grow the economy coupled with spending cuts to reduce the deficit, while Kerry emphasizes only spending cuts. Economists are skeptical of both plans, citing lack of specifics—especially where cuts are to come from.

★ **Retirement.** Because of baby boomers, the over-65 population will almost double in the next 30 years, and there won't be enough workers to support them when they retire. Bush proposes allowing especially younger workers to divert some Social Security contributions into "personal savings accounts" to be invested in 401(k) plans, while Kerry proposes spending cuts to cover Social Security and limiting benefits for rich retirees. Many economists fear market risks in privatizing any part of Social Security, preferring rather to raise the retirement age.

★ **Energy.** Bush wishes to explore domestic oil production in the Arctic National Wildlife Refuge and tax incentives for hybrid cars and wind/solar power. Kerry relies on stricter fuel-efficiency standards for cars and tax incentives for consumers who buy them. Many economists want higher taxes to discourage gas use, as well as more fuel-efficient cars.

—Horace E. Johns, editor

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