

The
Wonk Room THINK PROGRESS

TOWN

**THE DEBATE
STUDY GUIDE**

HALL EDITION



KNOW YOUR DEBATE STATE TENNESSEE

Here is a by-the-numbers examination of what a third term of the Bush-McCain-Palin agenda would mean for the people of Tennessee.

HEALTH CARE

- There are **883,000 people without health insurance** in Tennessee. This is 14 percent of the population, up from 10 percent (529,000 people) in 2000.¹
- **3 million** people in Tennessee, including approximately **1.1 million women**, have employer-based health insurance and are at risk of losing it under John McCain's plan.²
- **1 million** people in Tennessee, including around **560,000 women**, with pre-existing conditions, currently covered by their employer, would find it particularly expensive or even impossible to get coverage under John McCain's plan.³
- A Tennessee couple making \$60,000 a year will see their taxes decrease by just \$30 **by 2013** under John McCain's health plan. Couples with health plans more expensive than the average Tennessee plan, or in a higher tax bracket, would see a tax increase. A typical American couple making \$60,000 would see their taxes go up \$1,100 by 2013.⁴

ECONOMY

- The average Tennessee worker has seen their real wages decrease by **\$1,400 since 2000**. From 1992 to 1999 real median family income rose \$7,800 across the South. (Tennessee-only data unavailable.)⁵
- There are **86,000 more people living in poverty** in Tennessee than there were in 2000, up from 820,000 people in 2000 to 906,000 people in 2007.⁶
- In Tennessee, **one house in every 574** has gone into foreclosure in August of 2008.⁷

- Tennessee taxpayers will spend **\$630 million** on subsidies for big oil and gas companies under John McCain over the next five years.⁸
- Tennessee has gained 110,000 jobs from August 2001 to August 2008. From August 1992 to August 2000, Tennessee gained 440,000 jobs.⁹
- Tennessee's unemployment rate is almost **7 percent**, up from 5 percent in August, 2001.¹⁰

THE IRAQ WAR

- Tennessee taxpayers are paying approximately **\$160 million** a month for the war in Iraq.¹¹
- Since 2003, Tennessee taxpayers have paid **\$10.6 billion** for the Iraq war.¹²

Endnotes

- 1 U.S. Census Bureau
- 2 Center for American Progress Action Fund. "McCain's Radical Health Care Plan: State-by-State Analysis," August 2008; Center for American Progress Action Fund and Planned Parenthood. "Worse for Women: An Analysis of the Effects Senator McCain's Health Plan Would Have On Women," September, 2008
- 3 Ibid.
- 4 Center for American Progress Action Fund. "McCain's Radical Health Care Plan: State-by-State Analysis," August 2008
- 5 U.S. Census Bureau
- 6 Center for American Progress Action Fund analysis of U.S. Census Bureau data
- 7 RealtyTrac
- 8 Center for American Progress Action Fund, "The True Cost of McCain's Oil Industry Subsidies for Every State," August, 2008
- 9 Bureau of Labor Statistics
- 10 Bureau of Labor Statistics
- 11 Based on a Center for American Progress Action Fund analysis of a Center for Arms Control and Non-Proliferation study of Congressional Research Service data.
- 12 Ibid.

Sen. McCain vs. REALITY Twenty Things McCain Gets Wrong

THE ECONOMY

1 McCain claims that his tax plan does not cut taxes for the wealthy.

McCain senior economic adviser Douglas Holtz-Eakin, who also advises Palin on domestic issues, insists that tax cuts for the wealthy are “not anywhere” in the McCain/Palin tax plan. [CNN Late Edition, [6/22/08](#)]

REALITY McCain significantly cuts taxes for the wealthy. McCain’s plan involves a doubling of the Bush tax cuts. The Tax Policy Center writes that “Senator McCain’s tax cuts would primarily benefit those with very high incomes, almost all of whom would receive large tax cuts.” Under McCain’s plan, the top 0.1 percent of households will receive a nearly \$1 million tax cut. [Tax Policy Center, [7/23/08](#)]

Meanwhile, the plan does not cut taxes for 100 million middle class households. And if McCain’s health care plan raises taxes enough to avoid blowing a hole in the deficit, it would raise taxes by \$1,119 on a family making \$60,000 within five years. [Center for American Progress Action Fund, [7/2/08](#)]

2 McCain wants to cut corporate taxes, because they claim that the United States has the second-highest business tax in the world.

“We now have the second-highest corporate tax rate in the world, making America a less attractive place for companies to do business,” says their economic plan, “Jobs for America.” McCain continually cites Ireland’s 12 percent rate as competitive. [JohnMcCain.com, [9/17/08](#); Center for American Progress Action Fund, [9/29/08](#)]

REALITY While the nominal rate for the U.S. corporate tax is the second-highest in the industrialized world, the United States actually ranks “below average” due to tax loopholes and keeping profits offshore. An analysis by the Center for American Progress Action Fund shows that U.S. tax revenue as a share of the economy is below the average share among member industrialized nations in the Organization for Economic Cooperation and Development. While the U.S. revenue is about 2.2 percent of GDP, Ireland’s revenue is 4 percent. [Center for American Progress Action Fund, [8/12/08](#);

OECD Statistics] Furthermore, corporate revenue is down from just a year ago, when it was 2.7 percent of GDP. Congressional Budget Office Director Peter Orszag said recently that falling corporate tax revenue is “a big part of why” the federal deficit exploded this year to a near-record \$407 billion.[Center for American Progress Action Fund, [9/10/08](#); OECD Statistics]

3 McCain continually says that he will balance the budget by the end of this first term. Senior policy adviser Nancy Pfotenhauer said that the budget would be balanced and that no “real cuts would even be required.” [Wall Street Journal [9/2/08](#); Fox News, [9/17/08](#)]

REALITY McCain spends so much on tax cuts for the wealthy and corporations that they could eliminate ten cabinet agencies and still not balance the budget. Their proposed budget actually creates the largest deficit in 25 years, through \$300 billion in tax breaks for corporations and the wealthiest Americans. McCain backs up his budget claim by saying that he will cut \$160 billion of discretionary spending from the federal budget, but to do so would require a 30 percent cut in every

federally funded program. [Center for American Progress Action Fund, [7/7/08](#), [5/15/08](#); ABC [4/20/08](#)]

4 McCain believes that private accounts are vital part of Social Security reform. McCain has said that he is “totally in favor of personal savings accounts...along the lines that President Bush proposed” and has said that “without privatization, I don’t see how you can possibly, over time, make sure that young Americans are able to receive Social Security benefits.” [Wall Street Journal, [3/3/08](#); C-SPAN, [11/18/04](#)]

REALITY Private accounts are risky, expensive, and undermine rather than shore up the long-term solvency of Social Security. According to a 2005 analysis by Robert Shiller of Yale University, a lifetime private account, as envisioned by Bush and McCain, loses money about one third of the time because of market volatility. While draining money from Social Security, creating a need for benefit cuts, these accounts would add an additional \$17.7 trillion to the national debt by 2050 and give a boon to Wall Street firms who would manage the accounts. [CBPP, [5/27/05](#), [3/31/08](#); Washington Post, [1/7/97](#)]

HEALTH CARE

5 McCain promises to build on the current health care system by eliminating “the current tax exclusion of the value of health insurance from employees’ taxable compensation.” [New England Journal of Medicine, [9/24/08](#)]

REALITY McCain’s plan places 158 million Americans who receive their health care through their jobs in danger of losing coverage. By equalizing the tax treatment of employer and individual plans and enticing healthy workers to buy cheaper but less substantive insurance in the individual market place, McCain’s tax reform would increase costs for sicker workers and may force some workers to opt out entirely. Among those who would lose their health care are 56 million Americans with pre-existing chronic health conditions. The entire employer health insurance system could unravel, ending this as an option for Americans who prefer it. [“State Health Facts,” Kaiser Foundation, [9/26/08](#); Center for American Progress Action Fund, [4/29/08](#)] In fact, a recent survey of benefits officers at large U.S. companies found that 74 percent of firms believe that a repeal of the employee tax exclusion for employer-sponsored health coverage “would have a strong negative impact on their workforce.” [Business Week, [9/18/08](#)]

6 McCain says he would provide a “refundable credit amounting to \$5,000 for all families and \$2,500 for individuals purchasing health insurance—regardless of the source of that coverage, regardless of how one purchases it, and regardless of one’s income.” [American Academy of Actuaries, [10/08](#)] Palin presumably supports this statement; she has not detailed her position on her running mate’s plan.

REALITY Problem is, McCain’s tax credits will not cover average cost of insurance premiums. According to the Kaiser Family Foundation, “the total cost for family coverage now averages \$12,680 a year, up 5 percent from 2007,” and \$4,704 for single coverage. Annual premiums for nongroup coverage vary widely, currently ranging from \$1,163 to \$5,090 for singles, and \$2,325 to \$9,201 for family coverage. [Kaiser Foundation, [9/25/08](#), [2/04/08](#)]

Not only will McCain’s credits not pay for a comprehensive plan, but they also will diminish in proportion to growing health care premiums. This is because McCain indexes the growth of his initial \$5,000 offering to inflation, not premiums. And, since premiums grow at a higher rate than inflation, McCain’s proposal imposes \$3.6 trillion tax increase on

the consumer. [Center for American Progress Action Fund, [4/30/08](#)]

For a couple earning \$40,000 and paying \$13,800 for insurance, “McCain’s new tax credit would cut their taxes by \$50 in 2009, but because the credit quickly falls behind rising premiums that are the basis of the current tax break, the family would pay \$1,169 more in taxes in 2013... [and] would pay \$2,809 more in taxes by 2018.” [Center for American Progress Action Fund, [7/08](#)]

7 McCain “believes that Americans should be able to purchase health insurance in a national market, across state lines, should they so desire.” [BlogHer, [8/01/08](#)]

REALITY McCain’s market permits insurance companies to deny coverage to Americans with pre-existing conditions and dismantles important consumer protections. Under McCain’s plan, insurance companies “would have little incentive to continue doing business” under certain state rules that “require that companies issue coverage to all new customers and not set higher rates for people who are already sick.” [Slate, [5/19/08](#)]

Ultimately, “insurance companies could sell plans across the country that deny coverage altogether to high-cost cases. Healthy “individuals,

regardless of their state of residence, could move to cheaper (albeit less comprehensive) plans based in states with fewer protections. Plans based in states with more rigorous insurance regulations would be left with sicker, more expensive patients—and higher rates.” [Center for American Progress Action Fund, [9/10/08](#)]

Insurance providers could also have an incentive to develop “bare-bones” insurance policies costing little more than the \$5,000 tax credit for families, however, for most uninsured families, the benefits of such policies in terms of protection from financial risk and access to medical care would likely be very small.” [Health Affairs, [9/16/08](#)]

8 McCain says that “no American should be denied access to affordable coverage simply because of a preexisting condition such as cancer” and promises to “work with states to create guaranteed-access plans that will ensure high-quality coverage, with reasonable premium limits, for these Americans and additional help for low-income individuals.” [New England Journal of Medicine, [9/24/08](#)]

REALITY McCain’s plan to shore up state-run high-risk pools is an extremely expensive, inefficient and ineffective way of providing health care. Financing insurance for the mil-

lions of Americans with pre-existing conditions who would lose employer-based coverage under McCain's plan, would cost \$100 billion a year—far more than the \$10 billion McCain has proposed spending on shoring-up high risk programs. [Tax Policy Center, 7/23/08]

Moreover, the high cost of insuring a large pool of sick people has forced states to limit eligibility. As a result, the 33 states that run high risk pools “exclude from coverage the pre-existing condition that made you eligible for it in the first place,” and maintain many of the same draconian limitations as the unregulated private market, such as waiting periods, premiums that are out of reach for many families, substantial deductibles and co-pays, and limits on mental health and maternity care. [Kaiser Foundation, 9/26/08]

McCain's proposal “could only cover three million people and leave millions without affordable insurance.” [Health Affairs, 9/16/08]

9 McCain says that “every American should have access to quality and affordable coverage of their choice” and argues that “the key to real reform is to strengthen the doctor-patient relationship.” [New England Journal of Medicine, 9/24/08]

REALITY McCain's plan would cover only 5 million uninsured Americans and give insurance companies unprecedented control over an individual's health care choices.

According to a recent report from the Tax Policy Center, the McCain plan would decrease the number of uninsured by 5 million in 2013. In fact, under McCain's proposal, there would still be 55 million without insurance, 8 million more than today, with fewer covered every subsequent year. [Tax Policy Center, 7/23/08]

Moreover, by creating a deregulated national marketplace in which insurers no longer have to comply with rules that require they provide cancer screenings, maternity care, mammograms, and emergency services, or abide by rules that “limit the rates that can be charged to higher-cost consumers and that limit who can be excluded for a health plan,” McCain's plan discourages preventive care and chronic disease management. [Health Affairs, 9/16/08]

While McCain supported the Patients Bill of Rights in 2001, he hasn't mentioned the legislation on the campaign trail and is now proposing a health care plan that would allow insurance companies to undermine the doctor-patient bond. [Time, 6/20/01]

10 McCain promises to “work closely with non-profit, government, and private sector stakeholders to continue the fight against HIV/AIDS.” [AFP, [8/4/08](#)]

REALITY McCain rarely supports initiatives to prevent new HIV infections, opposes federal funding for syringe exchange programs and has yet to call for a national AIDS strategy. In 2007, McCain admitted that he has “never gotten into these issues or thought much about” the effectiveness of condoms in stopping sexually transmitted disease.” McCain “voted for a Jesse Helms strategy to cut off funding for prevention efforts aimed at the gay community” and “voted against HIV/AIDS programs, funding and research at least seven times.” [Washington Post, [3/16/07](#); HRC PAC, [2008](#); Progressive Accountability, [7/7/08](#)]

McCain also opposes lifting the ban on federal funding for syringe exchange programs, even though “eight federally funded research reports concluded that needle and syringe programs, as part of a comprehensive HIV prevention strategy, are an effective public health intervention that reduces HIV transmission without increasing the use of illicit drugs.” [Black AIDS Institute, [12/07](#); Market Watch, [7/30/08](#)]

ENERGY

11 McCain routinely claims that offshore drilling will reduce gas prices in the short-term.

REALITY The Energy Information Administration, the U.S. government’s official source for energy statistics, says that offshore drilling will not have a significant impact on gas prices until 2030. McCain himself admitted in June that offshore drilling would not provide “immediate relief” but would have a beneficial “psychological impact.” [Energy Information Administration, [2007](#); Wonk Room, [6/24/2008](#)]

12 According to McCain’s energy plan, as president he will “encourage the market for alternative, low carbon fuels such as wind, hydro and solar power.” [JohnMcCain.com, accessed [9/17/08](#)].

REALITY In 2004, John McCain introduced legislation that would have eliminated the renewable energy production tax credit, and his continued opposition prevented renewal of the tax credit in 2007 and 2008. McCain has also vigorously opposed a federal renewable electricity standard. In response to a question about wind and solar power at a December 2007

town hall, McCain said, “the truly clean technologies don’t work.”

When asked by Grist Magazine in October 2007 for his position on subsidies for green technologies like wind and solar, McCain responded: “I’m not one who believes that we need to subsidize things. The wind industry is doing fine, the solar industry is doing fine.” [Wonk Room, [5/16/08](#); Grist, [10/01/2007](#); Climate Progress, [8/20/2008](#)]

13 According to a recent campaign advertisement, McCain will “battle big oil” when he gets to the White House. [ThinkProgress, [8/5/2008](#); JohnMcCain.com, accessed [9/17/08](#)]

REALITY John McCain’s economic plan would deliver nearly \$4 billion a year in new tax breaks to America’s five largest oil companies. And McCain has rejected efforts to repeal the tax breaks in the 2005 energy bill. In 2007, McCain failed to vote on a motion to invoke cloture on the Energy Independence and Security Act, which would have ended \$13 billion in Big Oil tax breaks. A spokesperson said he would not have supported breaking the filibuster. [Center for American Progress Action Fund, [3/27/08](#); Wonk Room, [4/23/08](#)]

14 John McCain says he plans to “broaden the market for energy-efficient cars.” [JohnMcCain.com, accessed [9/17/08](#)].

REALITY In the past 6 months, John McCain has helped the Republican leadership block clean car tax credits not once, but twice. Both times, McCain had the key swing vote. On February 6, 2008, there was an effort to add a package of clean energy tax breaks, including a \$3,000 tax credit to encourage the purchase of electric, Plug-in Hybrid Vehicles, which can get 100 or more miles to the gallon, to the economic stimulus bill. A cloture vote failed, 59-to-40, with McCain the only absence. McCain’s staff said that he would have “sided with the Republican leaders” in opposing the package.

In December 2007, McCain again could have broken a filibuster and helped the Senate pass the same package of clean car tax credits. But he missed the vote, and the effort to break the filibuster and pass the package failed by one vote, 59-to-40. After the vote, a McCain spokesperson said that McCain “would not have supported breaking the filibuster.” [Wonk Room, [6/23/2008](#)]

15 McCain’s chief economic adviser claimed in a recent Financial Times column that the emissions

reduction targets in McCain's climate change plan are "consistent with the international scientific consensus."

[Financial Times, [9/15/08](#)]

REALITY: McCain's targets are totally inconsistent with the international scientific consensus.

McCain would reduce emissions to 2005 levels by 2012 and to 66 percent below 2005 levels by 2050. In contrast, the Intergovernmental Panel on Climate Change calls for the United States and other industrialized nations to reduce emissions 25 to 40 percent below 1990 levels by 2020, and 80 to 95 percent below 1990 levels by 2050. [Wonk Room, [9/16/08](#)]

FOREIGN POLICY

16 McCain frequently claims that "the surge has worked." [Wall Street Journal, [1/10/08](#); Washington Post, [5/30/08](#)]

REALITY The goal of the "surge" was to create space for Iraqi political reconciliation, which has yet to occur. The "surge" has not delivered on its central objective: achieving a sustainable power consolidation among Iraq's different political forces. The surge has frozen into

place the accelerated fragmentation that Iraq underwent in 2006 and 2007 and has created disincentives to bridge central divisions between Iraqi factions. These factions remain at loggerheads over the extremely significant issues such as the oil law, constitutional reform, and the status of the city of Kirkuk, to name only the most contentious. [Center for American Progress, [9/10/08](#)]

McCain has also not demonstrated that he understands the various factors that have contributed to the drop in violence, incorrectly stating that the surge "began the Anbar awakening. I mean, that's just a matter of history." The Anbar awakening began in September 2006, long before the surge was planned or announced. Military leaders in Iraq have recognized that it was the prospect of a U.S. withdrawal, not the surge, which prompted the Sunni insurgents to change sides. [CBS News, [7/22/08](#); Military Review, [March/April 2008](#); Salon, [7/25/08](#)]

A broad consensus of national security analysts recognizes that the 2007 troop "surge" was just one of several factors contributing to the reduction in violence. Other factors were the revolt of Sunni tribal leaders against Al Qaeda; The decision by Shia cleric Muqtada al-Sadr to "freeze" his powerful Mahdi Army militia in

August 2007; and the completion of large-scale cleansing of neighborhoods by sectarian militias, and the separation of Sunni and Shia into heavily guarded enclaves separated by concrete barriers [The American Prospect, [7/28/08](#); Wonk Room, [4/3/08](#)].

17 McCain has said that debating his support for the Iraq invasion is a “job for historians,” suggesting that his support for the surge is all that really counts. McCain has also said that, even knowing that Saddam had no weapons of mass destruction and no connections to Al Qaeda, “there’s no question” he would still have voted to authorize the war. [ABC This Week, [7/27/08](#); CNN Late Edition, [7/27/08](#); The Intelligencer, [7/1/08](#)]

REALITY A surge of 30,000 troops wouldn’t have been necessary, were it not for the disastrous decision to invade Iraq in the first place. The Iraq war has resulted in the deaths of over 4,000 American servicemen and women, over 30,000 seriously wounded, and over 60,000 suffering from post-traumatic stress disorder. [CNN, [9/15/08](#); Associated Press, [4/17/08](#)] The war has also resulted in the deaths of an estimated 150,000 Iraqis, with many more wounded and maimed, and

over 4 million displaced, both within and without the country. [Guardian, [3/19/08](#); Center for American Progress, [4/30/08](#)] Economist Joseph Stiglitz of Columbia University and Linda Bilmes of Harvard University estimate the total cost of the Iraq war to U.S. taxpayers at around \$3 trillion. [Washington Post, [3/9/08](#)]

18 McCain opposes talks with Iran, [CNN, [6/2/08](#)]

REALITY Even the Bush administration now recognizes the necessity of talking with Iran, “abandon[ing] its longstanding position that it would meet face to face with Iran only after the country suspended its uranium enrichment,” and sending Undersecretary of State William Burns to accompany a European Union delegation during a meeting with Iran’s top nuclear official. At a CNN forum on September 15, five former U.S. secretaries of state—Colin Powell, Madeleine Albright, Warren Christopher, James Baker and Henry Kissinger—all said they favored talking to Iran as part of a strategy to stop Tehran’s development of a nuclear weapons program. Henry Kissinger specifically advocated negotiating with Iran “without conditions.” [New York Times, [7/17/08](#); CNN, [7/16/08](#); Reuters, [9/16/08](#); ABC, [9/16/08](#)]

19 In remarks to the Council on Foreign Relations on November 5, 2003, McCain responded to a question on whether the U.S. would “finish the job” in Afghanistan: “I’m not as concerned as I am about Iraq—obviously, or otherwise I’d be talking about Afghanistan—but I believe that if Karzai can make the progress that he is making then in the long term we may muddle through in Afghanistan.”

[ThinkProgress, [7/17/08](#)]

REALITY “Muddling through” is unfortunately what we’ve been doing – barely. As a result of the diversion of resources and attention to an unnecessary war in Iraq, which was not a front in the war on terror before the Iraq invasion, Al Qaeda and the Taliban have regrouped in the Afghanistan-Pakistan border areas and waged an increasingly lethal insurgency. Admiral Mike Mullen, chairman of the Joint Chiefs of Staff, recently told the House of Represent-

tatives Armed Services Committee “I’m not convinced we are winning it in Afghanistan...Frankly, we’re running out of time.”

Indeed, the Karzai government now controls less than one-third of the country. The other two-thirds is either uncontrolled, in the hands of the Taliban, or in the hands of warlords. As of September 11, 2008, more U.S. troops have been killed in Afghanistan in 2008 than in any year since the 2001 invasion. According to analyst Caroline Wadhams, “U.S. involvement in Iraq has meant less attention and resources for meeting important objectives in Afghanistan...Until U.S. leadership turns its attention and resources to the Afghan theater and the region, it will continue to play defense against a strengthening enemy.” [Washington Post, [9/11/08](#); Center for American Progress, [7/18/08](#); icasualties.org, [9/17/08](#); Huffington Post, [7/4/08](#)]

20 McCain has condemned “Russia’s leaders” as “rich with oil wealth and corrupt with power” and called Iran’s nuclear activities “the most grave situation that we have faced since the end of the Cold War.”

[Chicago Sun-Times, 9/4/08; CNN, 1/16/06]

REALITY Russia’s resurgence and Iran’s nuclear program have been enabled by huge oil revenues, which are a consequence of the destabilization resulting from the war in Iraq.

According to Dr. Mamdouh Salameh, who advises both the World Bank and the UN Industrial Development Organization,...the price of oil would now be no more than \$40 a barrel, less than a third of the record \$135 a barrel reached [in May 2008], if it had not been for the Iraq war. High oil prices have allowed Russia to rebuild its military and enabled Iran to sidestep a stringent economic sanctions regime and continue developing its nuclear program. [The Independent, 5/27/08]

The THINK PROGRESS Wonk Room

Center for American Progress Action Fund



The Center for American Progress Action Fund is the sister advocacy organization of the Center for American Progress. The Action Fund transforms progressive ideas into policy through rapid response communications, legislative action, grassroots organizing and advocacy, and partnerships with other progressive leaders throughout the country and the world. The Action Fund is also the home of Think Progress, the Progress Report, the Hyde Park Project, and the Wonk Room.

For more information, contact Adam Jentleson (ajentleson@americanprogressaction.org) or visit www.wonkroom.org.