

PRESIDENT'S PERSPECTIVE
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By this time next year, the President of the United States will be preparing to take the oath of office for the next four year term. The U.S. Constitution recognizes the President of the United States as the Commander and Chief of our armed forces. He is also recognized as the caretaker and steward of the U.S. economy. Let's therefore review the state of the economy over the past three years and gauge the state of our nation's economic health under President George W. Bush's stewardship.

Since 2000, nearly three million American workers have lost their jobs. Today, over 8.8 million Americans are currently unemployed and actively seeking work. The official unemployment rate has increased from 4.1% in 2000 to over 6% today. The "official" unemployment rate does not include the 1.6 million former workers who have stopped actively seeking work due to the unavailability of good jobs for which they are qualified. There are also nearly 5 million "underemployed" persons working one or more low-wage service sector jobs because good, full-time, living-wage jobs are no longer available. In the past three years alone, the United States has lost over 2.5 million manufacturing jobs, most of them permanently. And the U.S. steel industry, a bellwether of the manufacturing sector, is in serious decline as corporate America continues its shameful export of American manufacturing jobs to low-wage third world countries. The U.S. economy had lost over 24,000 manufacturing jobs in October 2003 alone. This represents the 39th consecutive month of job loss in the manufacturing sector.

As too many BMW members can attest, family life quickly becomes unbearable for those who lose their jobs. Homes are lost, families are broken, and retirement and college savings are pilfered in order to provide the basics of food, clothing and shelter. The U.S. Census Reports released in September 2003 show there were three million more Americans living in poverty in 2002 than in 2000. Median household income has fallen for the past three years in a row, and over 12% of Americans—over 30 million U.S. citizens—live below the poverty line. In addition, 43 million Americans have no health insurance, including over 8 million uninsured children.

For those fortunate enough to have decent jobs, the cost of healthcare is taking a bigger bite out of the family paycheck. BMW members are not immune to the national health care crisis. Health care premiums are rising approximately 15% per year, and BMW members and other workers nationwide are shouldering a growing portion of these escalating health care costs. Prescription drug prices force many of our poor and elderly to choose between medication and food. This comes at a time when drug companies are spending millions of dollars per year in advertizing and millions more each year for high-paid lobbyist to protect the pharmaceutical industry's monopolistic stranglehold on the most vulnerable members of our society.

When the current administration took over the White House, former President Bill Clinton handed

George W. Bush an economy that was the envy of the industrialized world, with real and projected budget surpluses in the 100s of billions of dollars per year. In a scant three years, President Bush took the strongest and most robust economic machine in the world and amazingly turned it into the single largest national deficit in U.S. history.

The U.S. deficit is projected to grow to over \$500 billion in 2004, with further record deficits projected to reach nearly \$6 trillion during the next decade if we continue on the present course. Our children and our grandchildren will bear the ultimate burden for these burgeoning budget deficits. Our government is borrowing and spending their way into the record books and our children, and their children, will be asked to pay the bill. Meanwhile, wealthy Americans are reaping the benefits. "The wealthiest 5% of Americans reaped 50% of the President's tax cut. Eight million Americans got nothing, and half of U.S. taxpayers will receive around \$100.00. America's millionaires, however, will receive a refund averaging \$93,000.00 in each year of the tax cuts." (National Priorities Project- Budget Update, 6/4/03)

To the detriment of railroad employees, the administration's cosy relationship with the railroad industry, coupled with their open anti-union animus, assures railroad management a sympathetic and responsive ear at the White House. Vice President Dick Cheney is a former member of the Board of Directors at the Union Pacific Railroad. I suspect that his railroad buddies still know how to contact him when they need a favor or a little bit of extra leverage. And U.S. Treasury Secretary John Snow is the former CEO of CSX Railroad. In his last annual report as CSX CEO, John Snow brags that his firm (CSX) "pursue(s) all available opportunities to pay the lowest federal, state and foreign taxes...(and) works through the legislative process for lower tax rates. As a result of all that clever accounting and intense lobbying, CSX paid nothing at all in federal income taxes on its \$934 million in U.S. profits over the past for years. Instead, it got tax rebate checks from the Treasury Department totaling \$164 million." (Michigan State AFL-CIO Position Paper, September 2003) Now, tell me it doesn't pay to have friends in high places.

President Bush has continually advocated the privatization of Amtrak, proposing to sell the most desirous routes to his big business friends. The end result of this misguided privatization policy would be the wholesale loss of Amtrak service to hundreds of communities and the abandonment of nationwide passenger service. As this issue of the *JOURNAL* went to press, Congressional negotiators reached agreement to provide \$1.2 billion to Amtrak for fiscal year 2004. The President, however, has proposed only \$900 million dollars for Amtrak in fiscal year 2004 and it is unclear whether he will sign the Amtrak funding bill negotiated in conference by Congress. The continuing attempts to break up Amtrak and privatize its routes could effectively end long-distance passenger service, jeopardize the Railroad Retirement Trust Fund, and create the potential loss or transfer of 20,000 good union jobs. Perhaps President Bush's privatization plan was to include job opportunities for our long-suffering Amtrak members in areas such as Iraq, where the Administration has recently provided over \$300 million dollars to the Iraqi railroad.

Working families throughout our nation are under attack, and our children's futures are being

mortgaged to the hilt. Each and every member of BMW, and each and every American worker, will have a chance to change the current state of affairs when our national elections are held in November 2004. I encourage every single member to register to vote, and to go to the polls in November to cast your ballot for the candidate that you believe has your interests at heart. Ask yourself the following questions as you enter the voting booth, "Am I better off now than I was 4 years ago? Are my neighbors better off now than they were 4 years ago? Is my nation and its economy better off than it was 4 years ago?" Answer these 3 questions honestly, and then cast your vote. For working families, nothing else is more important.

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