

PERSONALLY SPEAKING

Number 47

June 18, 2008

ASK THE CANDIDATES

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The campaign for the White House will get hotter and more contentious in the weeks and months ahead. As both major candidates attempt to win your vote, they may be long on lofty rhetoric and seductive promises and short on straight talk and workable solutions. The answers they give to the following questions on economic affairs before the election may help you decide how to vote in November. And those answers may hold them accountable after the election.

In this report, attention focuses on fuel prices, alternative fuels, health care, and entitlement programs. Questions regarding other important economic issues, including jobs, housing, and taxes, will appear in a future report.

Fuel Prices

- What can be done in the next six months to reduce the price of gasoline/diesel at the pump -- temporary relief from the federal gasoline/diesel tax, release of some of the oil from the strategic petroleum reserve, lifting the federal ban that prevents coastal states from allowing offshore drilling?
- What impact has the 2007 opening of the oil futures exchange in Dubai had on oil prices at the refinery and gasoline/diesel prices at the pump?
- What will you do if U.S. airlines are driven out of business by ever-higher fuel prices?

Alternative Fuels and Energy Sources

- Will you continue subsidies for corn ethanol?
- Will you encourage the production of liquid fuels from sugar cane, switchgrass, coal, shale? How?
- Is methane a viable alternative fuel for automobiles?
- Will you encourage the development of flex-fuel automobile engines? How?

Health Care

- What impact does reducing Medicare and Medicaid reimbursement have on access to health care?
- How much of the recent increase in health care expenditures is due to an aging population and how much to a general population with unhealthy lifestyles?
- Are you willing to impose ceilings on health insurance premiums, on drug prices? What would you do if private U.S. health insurers decided to discontinue offering health insurance to the public and pursue other lines of insurance underwriting? What would

you do if major U.S. pharmaceutical companies decided to scale back research and development on new compounds because they could not reasonably expect to retrieve the more than \$1 billion cost to develop and get a new drug approved by the FDA for use by the public.

It is well-known to officials in Washington that the Social Security, Medicare, and Medicaid are in deep financial distress and will exhaust their earmarked funds in what some have described as a “tsunami” of entitlement claims and benefit payments.

Social Security Retirement

Would you ...

- **increase payroll tax (payable in equal shares by employer and employee)?**
- **decrease benefits by changing the benefit formula?**
- **increase the qualifying retirement age for full benefits (presently 66 for anyone born in 1943 or later)?**
- **change the annual cost of living adjustment so that it responds to changes in consumer prices rather than changes in wages?**

Medicare

- **Would you increase the age of eligibility for benefits to match the present qualifying age for full retirement benefits?**

Medicaid

- **Would you reduce the income threshold that allows a person to qualify for benefits?**

Medicare and Medicaid

Would you ...

- **reduce reimbursement to health care providers?**
- **set a lifetime limit on benefits?**
- **attack fraud, fine and imprison perpetrators?**
- **do something more radical?**

Threat

- **Which is the greater threat, loss of personal freedom in economic affairs or heightened economic insecurity in a globalized economy?**

Edward J. O'Boyle is Senior Research Associate with Mayo Research Institute. Since completing his doctorate in economics at Saint Louis University more than 35 years ago, Dr. O'Boyle has specialized in economic research and analysis increasingly from the perspective of the human person engaged in everyday activities both as a unique individual and as a community member. In January 2004 the Association for Social Economics conferred on Dr. O'Boyle its prestigious Thomas Divine Award for lifetime contributions to social economics and the social economy. He taught economics at a state university in Louisiana for 30 years prior to his retirement in 2007.

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