

## United States: Optimistic US President Short on Details in State of the Union Address

*George W. Bush dwelt on the foreign and domestic policy priorities of his second presidential term in yesterday's State of the Union address, but left most of the key questions unanswered.*

Global Insight Perspective	
Significance	The State of the Union address was Bush's biggest set-piece speech since his recent inauguration. It was expected to give firmer pointers to evolving foreign and domestic policy.
Implications	Much of the address focused on the Middle East and Bush's optimism that recent elections in Iraq, Afghanistan and the Palestinian Authority are evidence of the spread of freedom and democracy. He took a swipe at a number of states, but his language was carefully controlled. On key domestic policies such as Social Security, the major questions were evaded. Although this cautious approach infuriated some, it was wise to try and build some bridges after a very polarising election.
Outlook	Even if he has avoided spelling out details, Bush has set himself a huge challenge to overhaul Social Security. Finding a solution that is fiscally and politically acceptable will be fiendishly difficult. On Iraq, the US still has no timetable for scaling back its presence and it remains to be seen whether the current air of optimism surrounding the elections is sustained.

### Post-Election Set-Piece

The State of the Union address is always eagerly awaited and in the wake of an election it is even more so. President George W. Bush has given indications of his second-term policy priorities before now, but the speech was an opportunity to lay out his plans in greater detail. The occasion is heavy on pomp and ritual, delivered as it is to a joint session of the US Congress. Special guests are invited and this time round they included a female voter from Iraq and the parents of a marine killed there. Republicans were very keen to trumpet the recent Iraqi elections and some had blue dye on their fingers like voters in that country. However, the event was low on bipartisan camaraderie. Democrats sat in stony silence and even heckled at times, while Republicans applauded thunderously.

### Iraq Hopes Post-Election

Since shortly after the 11 September 2001 terrorist attacks, Iraq has rarely been out of the headlines. President Bush's decision to invade the country in 2003 was hugely controversial internationally and came to dog his re-election campaign. Weapons of mass destruction - one of the major reasons for invasion - failed to turn up, there were scandals surrounding the behaviour of US troops, the security situation deteriorated and the costs spiralled. Despite all of this, Bush was upbeat and undeterred in yesterday's speech. He capitalised on the elections held in Iraq last

was now over. Bush is a firm believer that the Iraq invasion is part of a broader US foreign policy mission - 'a generational commitment to the advance of freedom, especially in the Middle East.' This freedom should in turn pay dividends for the US as extremism and terrorism decline. Linking the former Iraqi regime to international terrorism was always contentious, but once again Bush mentioned these in the same breath: '[Iraq] is a vital front in the war on terror, which is why the terrorists have chosen to make a stand there. Our men and women in uniform are fighting terrorists in Iraq, so we do not have to face them here at home.' There is no doubt that terrorism is a serious problem in Iraq, but critics argue that this has only been the case since the US invasion.

Bush is counting on support for Iraq's insurgents beginning to diminish now that elections have taken place - now they can be painted as opponents of democracy as much as opponents of the US - 'The whole world is seeing that the car bombers and assassins are not only fighting coalition forces, they are trying to destroy the hopes of Iraqis, expressed in free elections.' The elections were also portrayed as the start of an eventual exit strategy for the US, with the burden shifting to the Iraqi government and security forces, 'We will increasingly focus our efforts on helping prepare more capable Iraqi security forces...As these forces become more self-reliant and take on greater security responsibilities, America and its coalition partners will increasingly be in a supporting role.' However, Bush also said, 'We will not set an artificial timetable for leaving Iraq, because that would embolden the terrorists and make them believe they can wait us out.' There has been growing restlessness in the US over the huge financial and manpower commitment to Iraq, but Bush believes that if the situation is seen to be improving there will be greater patience.

### **Heroes and Villains in the Wider Middle East**

Bush sees the Iraq action as part of a broader project to spread peace, freedom and democracy across the Middle East, and this theme figured strongly yesterday. The US will support those countries moving in the 'right direction', and will take a tough line on 'regimes that continue to harbour terrorists and pursue weapons of mass murder.' He highlighted Syria, accused of harbouring extremists, and Iran - 'the world's primary state sponsor of terror pursuing nuclear weapons while depriving its people of the freedom they seek and deserve.' There has been concern that the US could launch 'pre-emptive' military action against Iran, but Bush played this down yesterday, by highlighting diplomatic efforts in conjunction with the European Union.

Bush went on to add the Palestinian territories to Iraq and Afghanistan, as another place in the Middle East where freedom and democracy is gaining ground. He has been criticised for not taking enough interest in the stalled peace process, but now it seems momentum is gathering after the death of Yasser Arafat and the subsequent elections. Bush announced that new Secretary of State Condoleezza Rice would meet with both sides during an upcoming trip. Bush said he would request US\$350m from Congress 'to support Palestinian political, economic, and security reforms.' Other countries Bush mentioned as examples of brightening prospects were Morocco, Jordan and Bahrain. He took a swipe at Saudi Arabia, arguing that it should expand 'the role of its people in determining their future', and also gave Egypt a gentle prod. Many Middle Eastern governments will be wary of Bush's hawkish policy, although he did take pains to say, 'The United States has no right, no desire, and no intention to impose our form of government on anyone else. That is one of the main differences

between us and our enemies.'

### **Social Security Set for 'Wise and Effective Reform'**

The biggest domestic policy priority for the second term is set to be reform of the huge and unsustainable Social Security system. Bush argued yesterday that he would protect this 'great moral success of the 20th Century', but that its purposes had to be served somewhat differently. The speech did not give indications of his preferred reform path, however. There are a number of competing proposals on the table, all of which carry considerable political and/or fiscal risks. Key to plans is greater private sector participation, something the opposition Democrats are very wary of. Bush tried to allay concerns that the overhaul would swell the already bulging fiscal deficit.

### **Immigration Policy to Encourage Some, Deter Others**

Firms in the US who have been crying out for more flexibility in hiring foreign workers will have been encouraged by Bush's comments. He argued that the system is outdated and that 'we should not be content with laws that punish hardworking people who want only to provide for their families, and deny businesses willing workers, and invite chaos at our border.' Bush therefore proposes greater flexibility in allowing temporary guest workers to take jobs difficult to fill with US citizens. At the same time, however, border control technology and checks will continue to be enhanced in order to spot 'drug dealers and terrorists.'

### **Family Values**

One of the reasons for Bush's re-election was his successful appeal to conservative, religious America. Yesterday's speech duly touched on the contentious question of same-sex marriages: 'Because marriage is a sacred institution and the foundation of society, it should not be re-defined by activist judges. For the good of families, children, and society, I support a constitutional amendment to protect the institution of marriage.' This statement is deliberately vague, but it does suggest that states and judges will not retain the freedom to go their own way that they currently have.

### **Outlook and Implications**

Yesterday's speech carried few surprises and that was probably a wise move for the president even if commentators derided his habitual 'fudging'. Social Security reform was certainly 'fudged', but the administration cannot avoid grappling with the details for much longer. Internationally, while Bush's position on the Middle East was relatively hawkish, it did not go beyond previous statements. Bush also avoided contentious phrases such as the 'axis of evil'. On Iran, Europe will have been encouraged by Bush's mention of diplomacy. Another state potentially in US crosshairs - North Korea - was barely mentioned. All Bush said was that he was cooperating with Asian countries to end the crisis over that country's nuclear programmes. There was some disappointment that Bush made almost no mention of countries that are not seen either as sources of terrorism or allies in the fight against it. Russia, China, Africa and Latin America, remarkably, did not figure.

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