Chapter 5: How the Economy Performs under Republican and Democratic Presidents and Party Control in Congress

The previous chapters presented evidence supporting the proposition that the political economy of the United States has changed in ways that do not reflect American exceptionalism in a positive light. The political economy has wittingly in some cases and unwittingly in others drifted away from the form of democratic capitalism which produced the post-World War II Shared Prosperity Era in which households in all income groups shared impressive economic gains. As Figure 5.1 reveals, in the Shared Prosperity Era for the six income categories given, the change in real income per household advanced within the range of 57% to 89% while in the Growing Inequality Era the range has been from -3% to 386%. Most notable and troubling, the Bottom 90% of households experienced an 87% increase in real income in the earlier era and a negative -3% decline in the current era. Democratic capitalism was replaced by a modern-day form of feudal capitalism.

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Source: Emmanuel Saez, June 29, 2015.

By 1980, the nation, initially unaware, was entering the Growing Inequality Era and slowly but surely income gains from economic growth were no longer being shared and most of the benefits were going to large corporations, the wealthiest individuals and families and Wall Street rather than Main Street. The democratic capitalism of the preceding era was being replaced with...
forms of oligopolistic, crony and feudal capitalism\(^1\) revealing and reinforcing the emergence of a growing and even more powerful plutocracy in which the interests of large corporations and the very wealthy race ahead like a fine-tuned sports car amassing greater wealth while so many Americans disappear in their rearview mirror. The “best of times” slowly vanished and the haunting specter of the “worst of times” has spread and darkened the prospects so many American workers and families.

If this sounds apocalyptic, it is. In terms of the health of our economy and democracy, the nation may be the frog in the simmering hot water unaware of the dangers when the water reaches the boiling point. The water has gotten much hotter in the Growing Inequality Era and the frog perhaps while making some adjustments and experiencing discomfort is still alive. But unless the flame of income inequality is reduced and turned off the sad fate of the frog is almost certain. We may be asking, “who killed Kermit?”

There is a way out of the economic box canyon into which growing income inequality is leading the nation. A Shared Prosperity Plan for the 21st Century is needed to combat the economic and political harm unleashed in the Growing Inequality Era and calls for a change in the nation’s political economy by adopting public policies to ensure workers and families will benefit more from economic growth. It is a measure of the nation’s political dysfunction that no formidable response to the challenges posed by the darker “worst of times” Growing Inequality Era which replaced the “best of times” Shared Prosperity Era has been mounted. Quite the opposite. Many of the policies still being proposed and even recently enacted are certain to make income inequality worse. Current public policies exacerbating the situation must be replaced by new public policies supporting the kind of political economy which can return the country to a form of democratic capitalism and a shared prosperity path.

This chapter focuses on the two major political parties since the end of World War II. It asks questions and answers them with evidence and offers some analysis. How has the U.S. economy performed under Democratic and Republican administrations? What if any differences are there when Republicans control the White House and Congress and when Democrats do? If the party controlling the White House and Congress plays a very small or no role, then one would expect on average there would be little difference in how the economy performs under Democratic and Republican administrations over a long period of time. Has one of the parties

\(^{1}\)“No sense in relying of feudal capitalism,” Opinion piece by John Patterson, Milwaukee Journal Sentinel, December 26, 2009
been more responsible for the growing dysfunction and gridlock in government. If a *Shared Prosperity Plan for the 21st Century* is to be developed, which party is best prepared to lead the way? An even more important question is: will most Americans be prepared to follow?

**Job Creation under Democratic and Republican Administrations**

![Figure 5.2a: Annual Number of Jobs Created per Year in the Private-Sector by Presidential Administration, 1940-2012](image1)

![Figure 5.2b: Percentage Increase in Jobs Created per Year in the Private-Sector by Presidential Administration, 1940-2012](image2)
The evidence on job creation depicted in Figure 5.2a and 5.2b is revealing. Whereas the trend has been upward in jobs created per year, the percent increase in job creation has declined because the size of the labor market has grown so that the number increase in jobs will represent a small percentage. For whatever set of reasons, under Democratic presidents’ job creation has been more robust. One would anticipate job creation per year rising as the size of the labor force increases. After every Democratic presidency since 1940 the following Republican presidency has underperformed. Over the entire period up to and including Obama’s first term, in 36 years of Democratic control 74 million private-sector jobs were created for an average of 1.95 million per year. For the 36 years when Republicans occupied the White House, 35 million private-sector jobs were created for an average of 972 thousand per year. The Democratic advantage of one million more jobs a year prevailed in both the Shared Prosperity Era and Growing Inequality Era.

**Growth in the Economy under Democratic and Republican Presidents**

GDP growth rates as revealed in Figure 5.3 are also noticeably higher under Democratic administrations; four Democratic administration terms (Truman, Kennedy-Johnson, Johnson and Clinton’s second term) outperformed the highest Republican administration, Reagan’s second term. The average annual GDP growth rate under Democrats was 4.3% and under Republicans 2.6%; a rate of growth 65% higher under Democratic administrations than under Republican.
A study by Binder and Watson (2014)\(^2\) was able to explain about half of the difference in job creation performance to factors unrelated to the party in power. This accounts for the Lucky Left label in their graph in Figure 5.3. That good or bad luck may play a factor in the fate of a presidency is certainly the case. This still left about 500 thousand more jobs created a year and roughly .8% of additional GDP growth unexplained when Democrats were in charge. This would suggest more than just luck may be involved and the evidence suggests it is Republican policies which result in less favorable economic circumstances for most Americans. The law of averages suggests over a seventy-five- year period lucky-streaks are statistically unlikely to favor one party. Democrats may have more than luck on their side; it could be desire and ability to enact wiser public policies than those advanced by Republicans.

**Growth in Income under Democratic and Republican Presidents**

How do workers and households fare under Republican and Democratic presidents? All income percentiles in Figure 5.4 experienced higher income growth rates under Democrats and the differences are striking. This was especially the case for low to middle income percentiles that experienced income growth rates at least two times higher than under Republicans. Even the higher income groups fared better under Democrats.

Readily available evidence on job creation, GDP growth rates and growth rates in income for all income categories since World War II indicates the economy does demonstrably better when a Democratic administration is in charge in the nation’s capital. Yet Republicans are fond of making claims they are better stewards of the economy and despite evidence to the contrary many Americans in opinion surveys agree. This is an example of where a Republican narrative, discredited by readily available evidence, is not successfully rebutted by the press and more importantly a strong Democratic narrative which much available evidence does support.

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Growth in the National Debt under Democratic and Republican Presidents

What does the record on deficits and debt reveal? Have Republican administrations been more responsible than Democrats? Since the economy has grown over the years, it is best to use the national debt as a percentage of GDP in comparing presidencies. As Figure 5.5 reveals, since 1968 the national debt grew faster under Reagan and Bush II while Obama was the Democrat presiding over the third highest percent increase. Republicans talk a good game about balanced budgets and reducing deficits and debt but play a deceitful game by pretending to be very serious about these issues when a Democrat occupies the White House. However, when a Republican is president, they become tongue-tied, stand back and let deficits and debt skyrocket into the fiscal stratosphere.

Indicating little has changed, Fortune reports, the Republican passed Cut Taxes and Jobs Act of 2017, “By 2028, America’s government debt burden could explode from this year’s $15.5 trillion to a staggering $33 trillion—more than 20% bigger than it would have been had Trump’s agenda not passed.” A case of the more things change the more they remain the same are Republican false claims about their seriousness about deficits and debt.

Figure 5.5 displays how the national debt as a percentage of GDP fell after World War II during the Shared Prosperity Era when a more progressive tax system prevailed but began to climb in the Growing Inequality Era. The blue-red line shows what occurred and the green line shows what would have happened if Reagan and the Bushes had lived up to Republican dogma.
and balanced their budgets and Clinton and Obama did not change to show the portion of the national debt occurring under Republicans since 1980.

In his campaign for the presidency in 1980, Reagan had the temerity to criticize Carter for the rising national debt. Once in office, he lit a match to the national debt growing it by 180% in his two terms. Much of the increase in the national debt under Obama was due to the Great Recession which started in the second term of Bush II. Much of the federal debt since 1980 has taken place under Republican stewardship. Only under Clinton did the national debt come down. Bush II squandered the surplus which was accumulating in Clinton’s second term with his ill-advised “trickle-down” economics tax cuts. He proposed these tax cuts before the wars in Afghanistan and Iraq and even though he said 9/11 changed everything did not moderate his tax cuts and instead put the wars on a credit card rather than raise taxes to pay for them.

**Growth in Federal Spending under Democratic and Republican Presidents**

Figure 5.6 shows the yearly inflation-adjusted increase in federal spending during the Shared Prosperity and Growing Inequality eras. It reveals in the Shared Prosperity Era there is little clear evidence suggesting presidencies under Republicans and Democrats have performed differently. However, in the Growing Inequality Era the evidence reveals federal spending has risen more on Republican than under Democratic presidents. We are still paying the price.

![Figure 5.6: Yearly Inflation-Adjusted U.S. Federal Spending Under Democratic and Republican Presidents](image)

Republicans like to use the label “tax and spend” Democrats. Real world evidence pins a big “borrow and spend” tail on the Republican Party elephant and not on the Democratic Party donkey when it comes to fiscal irresponsibility. Three large Republican tax cuts in the last four decades have produced deficits and debt which require borrowing and large interest payments.
to finance the debt. At least “tax and spend” under Democrats is more intellectually honest and fiscally responsible than “borrow and spend” and put it on the national credit card under Republicans. Too bad Democrats and many in the media haven’t more frequently pointed out.

As Figure 5.7 indicates, increases in federal spending were higher in every Republican presidential term since Reagan than under Democratic presidents who presided over the lowest increases in federal spending. The average for the five Republican presidential terms since 1980 was a 6.9% annual increase in federal spending; under the three Democratic terms it was a 2.8% increase.

### Ideological Shifts in the Republican and Democratic Parties

One of the least cited, least understood but perhaps most significant and telling political shifts is revealed in Figure 5.8. In the Shared Prosperity Era the average party ideology scores for Democrats in the House of Representatives moved in the liberal direction with Republicans moving moderately toward the political center. Shared prosperity occurred when Republicans drifted in a moderately less conservative direction and Democrats in a moderately more liberal direction. The House in general moved in a more liberal direction when democratic capitalism prevailed. The ideological gap between the two parties was narrower than the preceding and following periods.
Since the onset of the Growing Inequality Era, the ideological gap has widened. It stands to reason as the ideological gap widens reaching compromise will be more difficult. Republicans in the House have moved faster and farther to right while Democrats have drifted a bit more in the liberal direction. It should be noted many once Democratic seats in the south switched to Republican following passage of civil rights legislation. This Republican shift has produced a more extreme brand of conservatism backed by billionaire and corporate donors showing little inclination to compromise and find political consensus.

The strong positive correlation revealed in Figure 5.9 between an increasing Gini coefficient which measures growing inequality and increasing political polarization is ominous. Figure 5.8 indicates Republicans in the House have moved much farther to the political right than Democrats have moved to the left. For this reason, the more extreme movement by Republicans in Congress to the right may well be the “SMOKING GUN” evidence that the lurch of the Republican Party to the right has played a major role in the political system’s dysfunction and inability to respond to the challenges posed by the Growing Inequality Era. This rightward turn by Republicans makes their party less inclined and able to craft policies in line with 21st Century standards worthy of the world’s leading democracy. In fact, Republican policies are often in line with their rightwing billionaires’ interests and not on the side of average Americans.

![Figure 5.9: Income Inequality Increased a Political Polarization Increased in the House of Representatives, 1947-2009](image)

Given the ideological shift of the Republican Party further to the right, how does the economy perform when Republicans and Democrats control the presidency and Congress. Figure 5.10 shows that when Republicans occupy the White House and control both the House and
Senate an average increase in GDP of 1.2% was achieved; under divided government an average increase of 2.3% was achieved; but when Democrats controlled the White House and both branches of Congress the average GDP rate of growth was 5.2%. This evidence further undermines the Republican argument that they should be trusted in overseeing the economy. A diligent media might cite this evidence when Republicans make such claims and Democrats most definitely should.

Party identification for both Democrats and Republicans have gone down from 1939 to 2009, for Democrats from 40% to 35% and for Republicans from 36% to 24%. Independents trended upward from 18% to 36% in this period (Figure 5.11). Of note, Democrats enjoyed a considerable advantage over Republicans and Independents in the Shared Prosperity Era when all households were enjoying gains in real income. Democrats still hold a slight advantage in the Growing Inequality Era.

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**Figure 5.10: GDP Growth Rate by Party Control of Federal Government**

**Figure 5.11: Trend in Party Identification in U.S., 1939-2009**
Republican Party identification had started up in the last years of the previous era and rose to over 30% in the Reagan/Bush 1 administrations. As party identification shifted away from Democrats and toward Republicans, did this in any way contribute to political dysfunction and hamper dealing with growing income inequality? Is it possible that some Democrats having benefitted from the New Deal were lured away by Reagan just when the onset of the Raw Deal for most workers and families was unfolding in the Growing Inequality Era? The ascendancy of the Republican Party and more recently dominance over Democrats has been a political feature of the Growing Inequality Era. Republican presidents Bush II for his first term and Trump received fewer popular votes than the Democrats they defeated.

**Republican Voters Display Greater Partisanship than Democrats**

Figure 5.12 shows how trust in government by party has changed from 1958 to 2015. The trend has been downward for both parties with some noteworthy blips along the way. There is a consistent pattern of support increasing for Republican and Democratic inclined voters when the party they favor controls the presidency. In the Shared Prosperity Era, the decline in trust in government by both Republican and Democratic voters is steady with few wild swings. However, since 1980 Republican and Lean Republican voters trust in government rises quite dramatically when a Republican occupies the White House and even rose some during Clinton’s presidency but fell to all-time lows under Obama, although it had been declining under Bush II. Democrat and Lean Democrat voters show a similar fluctuation but not as extreme as that displayed for Republican and Lean Republican voters. This would appear to suggest a more dogmatic and partisan approach to governing among voters more likely to vote Republican. Why might this be?
BILLIONAIRES Donors and Media INDOCTRINAIRES\(^3\) and the Republican Party

Billionaire donors, many of a libertarian bent like the Koch brothers, and media indoctrinaires like Rush Limbaugh, Fox News and Breitbart have become cornerstones of the Republican Party. The right has successfully advanced the notion of the inordinate dominance of the liberal media during an unprecedented rise in conservative media which has moved even farther right. The power of these two forces helped build and shape the Tea Party, which has championed and contributed to the extreme right turn of Republicans in Congress. The billionaire donors have provided busloads of green money (disclosed donations) and truckloads of dark money (undisclosed donations) and media indoctrinaires have provided fake news, alternative facts and conspiracy theories for millions in the Republican base willingly submitting to their own self-indoctrination. The election of Donald Trump, the king of fake news, reinforces this contention. Fake news, alternative facts and conspiracy theories have become necessary since real evidence such as that presented in this chapter reveals the poverty in Republican nostrums, myths and policy prescriptions.

Republicans are not alone when it comes to self-indoctrination. We all self-indoctrinate to some degree by the sources of information we consult and the criteria by which we evaluate the veracity of these sources. But self-indoctrination has progressed beyond the danger point in the Republican Party. How else to explain people calling themselves religious voters slavishly standing by Trump, a man whose life seems to be a repudiation of moral values of any sort? How does one explain Fox News, which criticized Obama for too much golfing, wearing a brown suit and his wife for her concern about children’s eating and health, being unable to criticize Trump’s scandal-plagued swamp of an administration? The right loves to talk about liberal media bias out of one side of their mouth while spewing right wing bias at breakneck speed out of the other side of their mouth.

The average for the five Republican presidential terms since 1980 was a 6.9% annual increase in federal spending; under the three Democratic presidential terms it was a 2.8% increase.

The more extreme movement by Republicans in Congress (Figure 5.9) to the right may be the “SMOKING GUN” evidence that the lurch of the Republican Party to the right has played a major role in the political system’s inability to respond to the challenges posed by the Growing Inequality Era.

\(^3\) Doctrinaire is defined as “relating to, adhering to and or insisting upon a doctrine or theory without regard to practical considerations or problems.” The author’s term indoctrinaire is defined as “relating to, adhering to, and insisting upon a doctrine or theory without regard to accuracy, evidence and any fidelity to the truth.”
Republicans speak of liberty and freedom in our ethnically and racially diverse representative democracy in which women are over half of the population, yet the lack of ethnic, racial and gender diversity in the Republican Party in Congress is pronounced and troubling. Republicans readily proclaim their adherence to noble aims and Judeo-Christian values; however, finding evidence of Christian values in many of the policies Republicans support suggests otherwise. Trump’s support for separating children from their parents seeking asylum is one of the more recent examples in which Christian values are not merely absent but stomped to death and strangled in the crib.

**Republicans in Congress Demonstrate Greater Partisanship than Democrats**

Often when observers or one political party calls into question what the other party is doing, a sleeping at the switch media offers the tepid defense “both parties do it.” However, since the Republican Party has been moving faster and farther to the right, the “both sides do it” claim, always suspect, is a cop out. There may have been a time in the past and even some recent incidences when “both parties do it” may apply but given the hard-right lurch of the Republican Party as revealed in Figures 5.8 and 5.9 Republican members of the House and Senate have behaved in a more partisan way than Democrats in recent decades.

Republican partisanship is revealed in votes cast in Congress on economic recovery plans proposed by four presidents, two Republicans and two Democrats, in Figure 5.13. Democrats in both the Senate and House of Representatives voted in significant numbers for the recovery plans offered by Reagan in 1981 and Bush 2 in 2001. Thirty-seven Democrats in the Senate and 133 in the House voted for the Economic Recovery Tax Act in 1981 proposed by Reagan. Democratic support for the Bush II tax plan was less enthusiastic but still 12 Democrats in the Senate and 28 in the House voted for it. It has taken very little political courage to vote for Republican tax cutting

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plans which promise robust economic growth but frequently end in “bust” rather than robust with mounting deficits and debt.

When it comes to the recovery plans proposed by Clinton and Obama, Republican support in Congress was woefully lacking. Clinton’s tax increase plan passed with the minimum number of votes in both the Senate and House and relied solely on Democrats; no Republicans in the Senate or House voted for it. Obama’s stimulus plan for greater spending to dig out from under the Great Recession did only slightly better, receiving three Republican votes in the Senate and none in the House. The three Republican votes were essential in securing the 60-vote threshold to avoid a Republican filibuster in the Senate. If Democrats had behaved and voted in the partisan way Republicans did and required 60 votes in the Senate, the Reagan and Bush II plans would never have passed. Clearly, Republicans have exhibited more partisanship than Democrats when it comes to passing legislation aimed and reinvigorating the nation’s economy. Republicans have no problem with spending money and increasing deficits and debt when a Republican occupies the White House but refuse to support Democratic presidents and insist on counting every penny, nickel and dime of spending a Democratic president proposes.

“The economy has grown much more quickly under Democratic presidents. It has also grown more equally. Since World War II, working class incomes have grown eight times as fast under Democrats, and middle-class incomes have grown twice as fast. Nor has this come at the cost of the wealthy, whose incomes have grown equally fast under presidents from both parties. The historical record suggests that there is no trade-off between equality and economic growth, and that rather than inequality being an inevitable result of market forces, it is actually the result of policies enacted by Republican presidents.”

Cut Taxes and Tickle Down Economics Must be Abandoned

Yogi Berra was right, “It’s Deja Vu All Over Again.” The Reagan/Bush 1, Bush II and now Trump administrations passed tax legislation which caused and will in Trump’s case cause growing yearly deficits and mounting national debt. Reagan and Bush II then left it to Democrats Clinton, then Obama and let’s hope Trump’s Democratic successor to clean up the mess. And clean up they do, as expressed in a Daily Kos article by Jon Perr, “The return of the spend-and-not-tax Republicans,” and revealed in Figure 5.14. Republicans say they are going to rein in government spending, but since cutting government spending is much easier in theory than in the real world of politics Republican presidents and congresses don’t cut spending, and in fact they increase borrowing and spending but then return to deficit hawks when a Democratic administration is in charge. As under Reagan, Bush II and now Trump, federal spending is off to the races. This is part of the “starve the beast” Republican strategy. Republicans eagerly feed the beast when they are in charge and leave it to Democrats to starve the beast by reining in spending as Obama did. Doing the fiscally responsible thing involves raising taxes and, of course, Republicans are experts at pillaring Democrats when they raise taxes to clean up the mess

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5:Democratic Presidents Are Better For The Economy,” Nate Kratzer, Argumentative, November 1, 2014
Republicans have made. In an unexpected burst of candor, then Vice President Dick Cheney confessed to the Republican hijinks saying, “Deficits don’t matter.”

It takes much more political courage to propose tax increases and support them than it does to cut taxes. Another interesting fact revealed in Figure 5.11 is that both the Reagan and Bush II plans which relied primarily on tax cuts cost twice as much as the stimulus plans offered under Clinton and Obama in 2009 dollars. Yet Republicans refused to support Clinton and Obama recovery plans, claiming the nation could not afford them, but they had no problem supporting the far more expensive Reagan, Bush II and Trump tax cut plans. Trickle-down me down once, shame of you; trickle-down me down twice, shame on me; trickle-down me down thrice, shame on you and me. Most Americans are tired of being trickled on.

And what did Republicans say when Clinton went against Republican orthodoxy and raised taxes in 1993. John Kasich concluded, “And virtually every major economic estimating firm in this country says your bill is going to kill jobs.” Newt Gingrich said, “I believe that that will in fact kill the current recovery and put us back in a recession. It might take 1 1/2 or 2 years, but it will happen.” Figure 5.15 shows that the tax increases under Clinton and Obama, both unpopular at the time and reviled by Republicans, were followed by job growth much better than under Bush II tax cuts. The only problem with Obama’s tax increases to deal with the Great Recession is that they were too smaller; had they been larger economic recovery may have been better.
Republican partisanship was also in evidence regarding healthcare. Leading up to and following passage of the Affordable Care Act (ACA) in Obama’s first term to the present day, the nation has been debating healthcare. In large part due to political gridlock, it is disappointing to see how arid and unproductive this debate has been. Final passage of the ACA in the House was 219 to 212 with no Republican votes in favor and in the Senate 60 to 39 with no Republicans voting in favor.

Given the failure of several previous administrations to bring healthcare policy into the 20th Century, never mind the 21st, the Obama administration deserves credit given the fierce resistance by Republicans in advancing healthcare and providing it for more Americans. To show the duplicity of Republicans, their major complaint was the mandate in the ACA requiring individuals and households to purchase insurance. It was the Heritage Foundation, a conservative think tank, which did the economically responsible thing and proposed the mandate as the way to fund healthcare back in the early 1990s. Obama’s mistake was to think Republicans would be inclined to support a Republican idea if proposed by a Democrat. His mistake was confirmed by Republican Majority leader Mitch McConnell’s forthright, if obstructionist, statement, “The single most important thing we want to achieve is for President Obama to be a one-term president.” This failed when Obama was reelected but it did not deter Republican resistance to all things Obama. Trump backed by media indoctrinaires has taken being anti-Obama away from any reasonable political differences in policy to a personal fetish.

A serious strategic miscalculation Obama made was to give up and cede victory to Republicans by taking a single payer option off the table in the lead-up to passage of the ACA. Such a concession might have been accepted in good faith by the Republican Party in the 1960s and 1970s when moderate Republicans in Congress were listened to and respected by Republicans and were willing to work with Democrats but not in a Republican Party was lurching
to the extreme right. One of the advantages of a single payer system is it would be most effective in reducing the cost of healthcare and reining in cost increases year after year. Although the ACA did some things to reduce costs, the basic reforms needed to reduce costs were not advanced or given the serious consideration they deserve. The movement and hardening of the Republican Party to the extreme right is and will remain a major impediment to the nation moving forward on many important issues, including doing something substantive about income inequality. The proof of this extreme right move was shown in Figure 5.7 where Republican members in the House of Representatives shifted farther right than any time since 1880.

Republican mantras make less and less sense if you think about them and connect the dots or consider what Republicans do rather than what they say. Here is just a sample

**Makers and Takers:** Self-professed Christian Republicans like Speaker of the House Paul Ryan seem to abandon Christian values in the policies they support and the rhetoric they use. Ryan and others have pejoratively said things like 60% of Americans are takers. It is certain this phrasing was not approved by Christ or his Father.

**Budget deficits and the national debt are the result of too much government spending:** This oldie but goodie is part of their “starve the beast” goal and never dies and leads Republicans to the erroneous conclusion taxes should be cut and government spending reduced. The fact is: all governmental spending is the result of programs and budgets passed by legislative bodies and signed by the chief executive (president, governor, mayor, etc.). Since the level of spending has been approved by the appropriate political actors, it is more accurate to say deficits and debt are the result of not setting tax rates at the level high enough to fund the legislation which has been passed.

**9/11 Changed Everything:** The Bush II administration used this mantra as justification for going to ill-advised wars, enhanced interrogation techniques (torture) and widespread surveillance measures invading privacy rights. The large “trickle-down” tax cuts Bush signed into law were the exception. The tax cuts were passed prior to 9/11 and, if this tragic event changed everything, why didn’t Bush and Republicans go back, revise and reduce the tax cuts to pay for the wars they supported rather than putting them on the nation’s credit card and running up the national debt and leaving Obama to clean up after the Great Recession what Republican policies produced? This is an example of where Republicans don’t even heed their own advice, but they insist a Democrat in the oval office should.

**Providing too much assistance to those in need will make them lazy:** Republicans argue if government provides benefits to poorer people it will discourage those receiving such benefits from working hard. By this logic, won’t taxing corporations and the wealthy at much higher rates make them worker even harder? If a person or corporation wants an after-tax income of $1 billion, they will have to work even harder to earn this billion if they are taxed at a higher rate. Millionaires and billionaires were taxed at much higher rates in the *Shared Prosperity Era*. The tax rate on the Top .01% fell from a little over 70% in the 1950s to about 35% in 2004.
Early Warning Signals of Republican Party Going Over the Edge Ignored

Perceptive observers have been on the case and trying to alert others to the dangerous directions in which the Republican Party was drifting. Figures 5.16 and 5.17 cite two such warnings. Never-Trump Republicans have been a day late and dollar short in coming to agree with these earlier assessments of their party. Why were these “smart, patriotic men and women putting their brains and integrity on ice” and why are so many Republicans still doing so?

"The GOP has become an insurgent outlier in American politics. It is ideologically extreme; scornful of compromise; unmoved by conventional understanding of facts, evidence and science; and dismissive of the legitimacy of its political opposition."


Figure 5.16: A Prescient Analysis and Warning of the Radicalization of the Republican Party by Two Highly Respected Scholars

There are certainly criticisms one can level at the Democratic Party, but to ignore the shift to the extreme right in the Republican Party and pretend both parties are equally responsible for the political morass the nation is in is refuted by evidence. A sixty-forty percent split with more of the blame going to the Republican Party might appear reasonable, although Mann and Ornstein and St. Louis Post Dispatch and more recently Never Trumpers’ quotes suggest closer to an eighty-twenty split is closer to the mark. Figures 5.8 and 5.9 reveal clearly Republicans in Congress have become far more ideologically extreme than Democrats in the last few decades.

“If anyone destroys this country it will be the conservatives”

(Ayn Rand)
It will take newer and more progressive ideas and public policies in tune with 21st Century realities if the political economy of the country is to work in such a way as to return to a shared prosperity path. Quite frankly, the Republican Party has demonstrated no capacity to do the hard lifting needed for such reforms. It cannot even achieve the economic discipline they insist on when Democrats control Washington when they are in charge. The jewel in the crown, the 2017 Tax Cuts and Jobs Act, was just their most recent welfare-for-the-rich scheme and the third and latest “trickle-down” economics fiasco and Republican fantasy in the last thirty-five years. There were Reagan and Bush 2 trickle-downs followed by looming deficits and debt which are projected for Trump’s trickle-down. All three of these trickle-down fantasies focused on tax breaks for the wealthy and contributed to acceleration in growing income inequality and its attendant problems for workers and families in the U.S.

**Republican Party “Pick Pocket” Policies**

Given the track record over the last seven decades, the nation might want to heed the warning about placing its future in the hands of Republican dogma when it comes to the economy. Republican presidents and congresses talk a good game but have consistently delivered results less favorable than those delivered under Democratic presidents and congresses.

Ronald Reagan, a popular president twice elected by wide margins, in his first inaugural address said, “government is not the solution to our problem; government is the problem.”
Reagan’s avuncular demeanor partially masked his hostility to government at the outset of the *Growing Inequality Era*. A growing and more radical hostility to government, except when they are in charge, has been an abiding feature of the Republican Party since Reagan. To head off the damages growing inequality foretold, a positive political economy response would have to rely on the actions of government. Reagan’s misplaced faith in free market solutions ends up favoring large corporations and those of wealth and has failed to adjust the nation’s political economy to the new challenges and realities threatening workers, families and the broad middle class in the *Growing Inequality Era*. In fact, there is considerable evidence Reaganomics and other legislation and public policies championed by the Republican Party have contributed to making income inequality worse. This may not have been Reagan’s intent but that the country embarked on a growing inequality path on his watch cannot be ignored as part of his legacy.

The Republican Party has a 40-year stretch of promoting Johnny One Note economic policies. Is it a coincidence that Republican budget and tax policies overlap neatly with the *Growing Inequality Era*? David Stockman, Reagan’s first budget director came clean when he realized Reaganomics’ embrace of supply-side and trickle-down economics would pile up huge deficits and increase the national debt, which is precisely what occurred during Reagan’s presidency (see Figures 5.5 and 5.6).

Even Reagan’s successor Bush 1 realized what Stockman had warned and called it voodoo economics—the notion that public spending could continue and even be increased, taxes could be cut and would stimulate the economy to grow so fast the necessary revenue would issue forth even at the lower tax rate to cover expenditures. Stockman spoke up again when George Bush II provided round two of supply-side, trickle-down “voodoo economics” with huge tax cuts with the same results, deficits and debt and leaving the Great Recession for Obama to clean up when he entered office. Apparently, you can’t teach an old dog or Republicans new tricks because Donald Trump’s crowning achievement in his first year in office was to pass round three of supply-side, trickle-down and voodoo economics. With Republicans standing around and Trump beaming with pride, he signed the 2017 Tax Cuts and Jobs Act passed by Republicans controlling the White House and both chambers of Congress. This legislation will extend and deepen the problems workers and families have been facing in the *Growing Inequality Era*. One more twist of the knife into the economic hopes and security of workers and families in America. What a celebration.

**Party Now and Pay Later Republicans**

The once purported party of fiscal responsibility, ever since Reagan, has turned into the Party Now and Pay Later Party. Cut taxes on the wealthy, pad the pockets of wealthy corporate and billionaire donors and run up yearly deficits and the national debt and leave it to the next administration, preferably a Democratic one, to clean up the mess. Reagan/Bush I left a mess to Clinton and Bush II left the Great Recession to Obama to clean up.
The promise of spurring economic growth by reducing taxes, especially in favor of the wealthy, has always been on shaky ground, as Figure 5.18 shows. This is the kind of falsehood taxpayers want to believe in so badly and this may explain their gullibility bordering on an addiction to the siren song of lower taxes and everyone benefits. The Growing Inequality Era and the form of feudal capitalism driving it has assured that most economic growth, unlike in the Shared Prosperity Era, has made the rich richer and left most Americans poorer. Figure 5.19 shows clearly everyone has not benefitted in the Growing Inequality Era dominated by Republican sponsored trickle-down economics. The Bottom 90% average income growth was declining in comparison with the Top 10% even during the Shared Prosperity Era. However, the sharp changes after 1980 are noteworthy. What had been a steady decline in the Bottom 90% average income, drops precipitously after 1980 and never rebounds in the Growing Inequality Era, and in the expansion after the Great Recession in 2008 the average income growth for the Bottom 90% is negative. A slight recovery did occur was during Clinton’s two terms. Whereas over the Shared Prosperity Era the Bottom 90% share of average income growth was about 65%, it had shrunk to about 12% in the Growing Inequality Era. Conversely, the Top 10% shared averaged about 35% in the Shared Prosperity Era but jumped to 88% in the Growing Inequality Era. It is difficult not to think that, although it may not have been his intention,
Reaganomics inflamed the trend which had already been simmering in the latter years of the *Shared Prosperity Era*.

![Average Income Growth Chart](image)

*Figure 5.19: Average Income Growth for Top 10% and Bottom 90% during Periods of Economic Expansion*

How are Republicans so effective in continuing their con job on so many Americans in thinking they are the party which should be trusted on the economy? A magician must admire Republican’s slight-of-hand; like a good pickpocket they distract with one hand while the other hand slips in the pocket of the victim. The difference being most pickpockets will try to pick the pocket of a wealthy person if possible. Republicans through the policies they support and in doing the bidding of their wealthy corporate and billionaire donors are more likely to pick the pockets on those unsuspecting and with little power, less wealthy individuals and those who have struggled to reach the middle class but just don’t donate enough to Republican coffers.

One would have thought sad record of more tax cuts for the wealthy and peace and prosperity for all turning into deficits and debt and more income inequality would have dissuaded Republicans from pursuing this disastrous course again and again. However, when a con man like Donald Trump emerged from a party running its own con for some time, he decided to launch a two-punch Trump and Republican Party trickle-down economics con. Many of his supporters have been victims of these Republican and now Trump-approved cons and can more accurately be called “marks”. What Republicans are good at and many voters are slow to recognize is how effective they are in hiding the adverse impacts their policies have had and will have on so many
American workers and households, especially those who have been economically harmed in the *Growing Inequality Era*. Republicans apply lipstick to their policy pigs with words like freedom, liberty and patriotism but support policies that systematically reduce the wages and benefits workers and families need in the 21st Century to exercise liberty and freedom to fulfill their physiological, psychological and self-actualization needs as depicted in Maslow’s hierarchy of needs pyramid (see Figure 1.9).

One of ways Republicans distract is the half-dozen or so “wedge issues” or sideshows they advance with the aid of the growing rightwing echo chamber and the crucial role the media Indoctrinaires play in stoking fear, appealing to the biases, feeding the emotional angst and preying on the economic insecurities in the base they want to cultivate. Race, guns, gays, same-sex marriage, immigrants from the “wrong” countries, more recently players kneeling during the national anthem at NFL games and purported widespread voter fraud they have no evidence to support is a sampling of issues designed to rile up the increasingly rightward moving Republican and self-indoctrinating base. These grievance issues are also used to raise money and distract their supporters from the Republican policies that strike at the economic security and well-being of many in the base as well as millions of other Americans. Under Trump and his media outlets led by *Fox News* and lacking evidence, conspiracy theories supported by wild fancies and fiction such as a sex ring operated out a pizza parlor involving Hillary Clinton rather than facts have become more necessary. Is there no depth to which Republicans will not go to? Apparently not. A largely self-indoctrinating base is there to swallow it all.

Attacking and wanting to cut Medicaid, Medicare and Social Security are policies Republicans continue to doggedly pursue. While calling Democrats “tax and spenders” Republicans “borrow and spend” like drunken sailors and create huge deficits when they control the White House and Congress. But when Democrats assume control Republicans morph into penny-pinching “deficit hawks” and push cutting Medicare, Medicaid, Social Security, food stamps and other programs in the name of balancing the budget which went out of whack under their stewardship.

As Figure 5.13 showed Republicans in the Senate and House voted against stimulus plans offered by Clinton and Obama to recover from recession and spur economic growth. Liberal and conservative economists alike have generally accepted the idea that an Increase in “pump priming” government spending is needed to lead an economy out of recession. After the economic collapse in 2008 the nation entered the deepest recession since the Great Depression. Stimulus was desperately needed but Republicans in Congress would not support “pump priming” government spending when a Democratic president proposed it. This tendency for Republicans to calibrate their concern about budget deficits and debt based on whether a Republican or Democrat occupies the White House is confirmed in Figure 5.20; 71% of Republicans said cutting the deficit was a highest priority under Obama in 2013 but only 37% said it was a highest priority in 2017 under Trump.
In fact, Republicans stimulus spending and wanted to cut government spending even in the Great Recession when stimulus spending is needed to revive the economy. They made the argument private-sector jobs were good for the economy and public-sector jobs were not as good and should be cut. They even made the ludicrous claim that Obama was wildly increasing federal spending. The rate of increase in federal spending under Obama was to lowest since 1980 (see Figure 5.6).

Republican attacks on public spending and public employee unions were over the top and historically incorrect as revealed in Figure 5.21. It is worth noting that following the 1981 recession (Reagan), 1990 recession (Bush 1) and 2001 recession (Bush 2) public-sector employment rose from between 1 to 3 percent. Only after the 2008 Great Recession (inherited by Obama from Bush II) did employment in the public-sector decline. One can make a good case one reason why the economic recovery was not as expansive as many would have liked is because public-sector jobs were being cut rather than increased as in earlier recoveries from recession. One would think the average business, even one owned and operated by an ardent Republican, will benefit from a $200 purchase whether it is made by a person in the public-sector or private sector.

Figure 5.20: Republicans Change Their Tune on Deficits as a Highest Priority under Obama and Trump
Figure 5.22 reveals the distribution of benefits from the Republican passed Tax Cuts and Jobs Act of 2017 is highly skewed toward the wealthiest individuals and corporations. This legislation is equivalent to attaching a rocket booster to growing income inequality. What
political party committed to serving all the American people would support such “trickle down” nonsense—for the third time in four decades? Oh, the siren song of tax cuts is so luring, who knew it could be fatal wreck the economic prospects of so many American workers and families. At the same time these Republican policies, like the recent tax legislation, are lining the pockets of their deep-pockets corporate and billionaire donors. The richest 1% will receive 31% of the total benefit in 2018 and 48% by 2027 from the new tax legislation championed by Republicans. This legislation will only accelerate income inequality and deepen and extend the Growing Inequality Era.

It is surprising Trump’s claims of the best economy under his watch are not challenged by the press and Democrats. As Figure 5.23 indicates, Trump who inherited a decent economy has created 29,000 fewer jobs a month in his first 30 months in office when compared to Obama’s last 30 months in office. This is 870,000 fewer jobs created under Trump.

**The Sound of Silence in the Republican Party is Deafening**

“Hello darkness, my old friend” are the first words in Simon and Garfunkel’s “Sound of Silence.” When Republicans decided on or capitulated in remaining silent on things that one would think there should be little hesitancy in speaking out about is unclear. The ending of the song envisioned, given foolish and intemperate Donald Trump, is “Fools, said I, you do not know, silence like a cancer grows.” Silence in the face of deceitfulness and infidelity to the truth “like a cancer grows” and so goes the Republican Party.

The Republican Party has drifted a long way from the cerebral articulation and defense of conservative values as articulated and discussed by Bill Buckley on his show *Firing Line*. Conservative kin and friends I have known over the years have drifted from Buckley to Reagan to...
Gingrich to now Trump, a literal trail of tears. To those on the hard, hard right of the party, even Reagan would merit the label RINO and be hunted down. Reagan got along with and even worked with Tip O’Neill the Democratic Speaker of the House and was proud of and did not have to apologize for it to the likes of those on Fox & Friends & Fools and other Indoctrinaires of misinformation and conspiracy theories served up for their self-indoctrinating viewers.

When one considers how so many Republicans policies: 1) come down on the side of their wealthy corporate and the billionaire donors; 2) favor cutting Medicare, Medicaid, Social Security and other programs assisting the poor and average Americans; 3) oppose raising the minimum wage; 4) undermine worker protections; 5) threaten women’s choice and reproductive rights; and 6) pass tax legislation skewed toward benefitting the richest Americans, Republicans are bent on replacing the New Deal with their own new Raw Deal. The Republican Raw Deal perpetuates feudal capitalism fueling the Growing Inequality Era which will extend the travails of workers and families and will resist policies and legislation aimed at returning the nation to a shared prosperity path.

**Supreme Court Drifting to the Right**

There is also evidence that Republican Supreme Court justices have been moving in a more conservative direction in the Growing Inequality Era. Figure 5.24 charts the ideological leanings of Supreme Court justices. Except for several outliers moving in the liberal direction justices straddled the Ideological line and seldom moved more than two marks in the liberal or conservative direction on the graph in the Shared Prosperity Era. By the late 1970s when post-war economic gains became more tenuous the court shifted in a more conservative direction. What is most noticeable in the Growing Inequality Era is the wider spread in Ideology scores in justices advanced by Republican and Democratic presidents and a general move by Republican appointed justices in a more conservative direction. The court has grown more hostile to unions and friendlier to corporations. Notice justices appointed by Democratic presidents are closer to the ideological center than those appointed by Republican presidents in the Growing Inequality Era. The present Supreme Court is unlikely to come down on the side of workers and families and of limited help in addressing the ravages of growing income inequality.
Citizens United vs. the Federal Election Commission

The disastrous Supreme Court decision in Citizens United unleashed torrents of cash, much of it being dark money from unknown donors, which has increased the influence the wealthiest corporations and donors have on shaping Republican legislation to advance their interests. It is as close to bribery as one can get and still pretend it advances freedom of speech. The Supreme Court choose in a 5 to 4 decision to make this pretense.

To make the connection clearer between dark money and the rightwing network of groups, the plaintiff in the case, Citizens United, is one of many Political Action Committees (PACs) formed in 1988 and financed by the Koch brothers, Charles and David. They and other conservative billionaires, many of a libertarian bent, fund a whole host of interconnecting PACs, foundations and conservative leaning centers and institutes, some housed at major universities, all pushing a policy agenda serving the economic interest of the Koch brothers and other billionaire donors on which Republicans have become increasingly reliant for funding. Figure 5.25 focuses on the extent of Koch brothers’ funding and influence tentacles in the extensive network of groups, organizations, institutes and foundations, many tax-exempt, serving the interests of billionaires and corporations. Imagine how vast and unwieldy the dark money network is to understand and depict for the naked eye to comprehend. Of course, millions upon millions in dark money donations flow through this network. Justice Scalia before he passed away and Justice Thomas were regular attendees at conferences and events hosted by groups and
DON’T LET THE DOGMA BITE YOU: Republican dogma contends programs providing benefits to lower income individuals and families are bad because they will discourage them from working harder to provide for themselves. So, using public policy to help the less fortunate discourages them from working harder. If this is true, will not reducing taxes on the very wealthy have the same undesirable result and cause them to work less. If a person strives to be a millionaire or billionaire after taxes, will not he or she have to work even harder to achieve their goal? Yet, Republicans at the drop of a hat pass legislation which reduces the tax rates on millionaires and billionaires under the discredited banner of “trickle-down” economics. There are many chinks in the armor of Republican dogma. The Trump presidency has demonstrated Republicans have been saying a lot of things over the years that even they did not really mean. The dogma they insist on when a Democrat occupies the White House disappears when a Republican assumes the office.

organizations funded by the Koch brothers, Koch Industries and other billionaire donors. One may expect the current Supreme Court justices nominated by Republican presidents will follow suit. The Koch brothers and their ilk have popped some corks and celebrated Supreme Court
sanctioned victories. In Judge Gorsuch and Kavanaugh’s appointment, this vast network has spent hundreds of billions of dollars to get judges even more friendly to their business interest. Any pretense today’s Republican Party, aided and abetted by their billionaire donors and media Indoctrinaires, strives to provide a better life for all Americans is belied by the evidence. The party uses wedge issues, conspiracy theories and now “fake news” and “alternative facts” to distract much of the party’s base from what they are doing. Having the rightwing media echo chamber stir up the fears, angst and grievances of the Republican base is more important than ever and finding ways to restrict the ability of certain groups of voters from voting has become a political cottage industry in the Republican Party.

As Figure 5.26 indicates Koch Industries and Koch brother funding has been almost exclusively to Republicans; this does not include all the dark money funding they do to support the radical right network pushing their agenda. It has been reported that the Koch brothers committed $890 million to political donations in 2016.

Figure 5.27 reveals another flaw in the logic behind “trickle down” economics. From 2009 to 2011. Koch Industries net worth grew by 50% while employment fell by 16.25%. Koch Industries weathered the Great Recession whereas many employees of Koch Industries did not. Sheding workers has been one of the main responses by corporations to cut costs and increase profits. The notion that tax cuts for large corporations will automatically boost employment is an example of the starry-eyed wishful thinking employed to push the dark money donors and seldom worker-friendly agenda.
The American Legislative Exchange Council (ALEC), another Koch funded group, brings together conservative politicians, researchers and corporate leaders to work on developing and promoting model legislation for states to adopt. It has been very successful. The rash of legislation passed by states when Republicans seized control of state capitols following the 2010 mid-term elections was aimed at public employees, making it more difficult for certain citizens to vote, cutting back on living wage standards and reducing wages under the guise of right-to-work. Other measures to hamper women’s right to control their reproductive decisions owed much to ALEC’s ready-to-go boilerplate model legislation. Two of the policy areas ALEC has focused on are in pushing voter ID laws which make it more difficult for certain segments of the population to vote, especially those known to vote Democratic and promoting right-to-work legislation which is anti-union and historically has depressed wages. It is advertised as right-to-work, but with the Koch brothers and other rightwing billionaire donors backing it, rest assured it serves a right-to-work-for-less agenda they favor, as revealed in Figure 5.28. The percentage of workers in right-to-work states in unions is about half that in strong union states and the hourly wage is

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**Koch Industries: Corporate Rap Sheet**

“In a third major environmental case against Koch that year, a federal grand jury in Texas returned a 97-count indictment against the company and four of its employees for violating federal air pollution and hazardous waste laws in connection with benzene emissions at the Koch refinery near Corpus Christi. The Bloomberg Markets article cited above reported that a former Koch employee said she was told to falsify data in a report to the state on the emissions.”

Source: Corporate Research Project

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**Figure 5.28: Percentage of Workers in Unions and Average Hourly Earnings in Right-to-Work and Strong Union States, 2010**

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JOHN PATTERSON
$3.08 per hour less. Unfortunately, right-to-work is another example of Republican policies that will depress rather than support higher wages.

Compliant Republican legislators were more than eager to please those donating to their campaigns. In talking about the recently passed 2017 Tax Cuts and Jobs Act, Republican House member Chris Collins from New York, recently indicted, let the cat or cash out of the bag in a moment of candor and said, “My donors are basically saying, ‘Get it done or don’t ever call me again.”’ This is what political extortion looks like.

Vilifying unions and fighting increases in the minimum wage are clearly not designed to assist workers in getting a larger share of whatever economic growth occurs in the economy. Instead Republicans are complicit in and even celebrate this shift of wealth that disadvantages the majority of the nation’s citizens. The marketing of George W. Bush as a “compassionate conservative” was tacit admission that many policies advocated by Republicans do not treat the least among us and now even majority of us very kindly. The Christian values Republicans regularly profess are difficult to find in many of the policies they advocate and in legislation they pass.

A Party Opposed to Science and Evidence

The radical shift of the Republican Party to the right explains the party’s full-throated battle against global warming and climate change. It should come as no surprise Charles and David Koch on behalf of Koch Industries are among the billionaires, despite broad agreement among climate scientists, who fund the climate change denying industry operating within the network of conservative groups outlined in Figure 5.25. Figure 5.29 shows seven different studies report broad scientific agreement on human-caused global warming.

George Mason University provides one example of how billionaire donors, in this case the Koch brothers, fund centers and professors on university campuses to rebut widely accepted scientific and health related evidence aimed at denying climate change and reducing environmental regulations inimical to their business interests. “As early as 1990, entities controlled by the billionaire brothers Charles G. and David H. Koch were given a seat on a committee to pick candidates for a professorship that they funded, the records show. Similar arrangements that continued through 2009 gave donors decision-
making roles in selecting candidates for key economics appointments at the Mercatus Center, a Koch-funded think tank on campus that studies markets and regulation. The appointments, which also created faculty lines at George Mason, were steered to hire professors who, like the Koch’s, embraced unconstrained free markets.” (“What Charles Koch and Other Donors to George Mason University Got for Their Money,” Erica L. Green and Stephanie Saul, New York Times, May 5, 2018)

As Figure 5.30 indicates media appendages of the Republican Party like Fox News convey “fake and inaccurate news” in covering climate science and provide misleading coverage 72% of the time compared to MSNBC at 8%. Fox News and other alt-right outlets provide safe havens for those choosing to ignore the consequences of climate change. Having no evidence to refute climate change, all they have left is to call it a hoax or part of some great conspiracy. Their self-indoctrinating listeners soak it up.

One would hope for more from a major political party. The Republican Party is intent on destroying the underpinnings of the New Deal established in the 20th Century and looks in the rearview mirror of history for ideas and policies unlikely to guide the nation on the road ahead. It has shown no interest in a Shared Prosperity Plan for the 21st Century. By default, if a Shared Prosperity Plan for the 21st Century is to be developed, the nation should look to the Democratic Party at this time.

**Democratic Party “Pander and Promise” Policies**

The Republican Party’s sins in dealing with growing income inequality have been of both commission and omission, failure to develop new policies and continuing to support bad policies,
Shared Prosperity Plan for the 21st Century
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notably “trickle-down” economics and its contributions to hyper-partisanship and gridlock. The Democratic Party’s sins have been primarily of omission. Although it is a Herculean task, the Democratic Party offers the best hope for leading the nation back to a shared prosperity economic growth path until the Republican Party demonstrates it is serious about facing up to 21st Century challenges, especially those stemming from the prolonged and devastating Growing Inequality Era.

Will Rogers famously said, “I am not a member of any organized political party. I am a Democrat.” This might be said about today’s Democratic Party. Since World War II the party has slowly but surely atoned for its role in prolonging the nation’s original sin which began under slavery. Racially motivated white voters have migrated from the Democratic to an increasingly welcoming Republican Party, a party now looking the other way as it embraces white supremacists. The sins of today’s Democratic Party are venial but are many and hold the party back from asserting itself with greater vigor, boldness, persistence and effectiveness in addressing the needs of the American people. The party lacks an overall vision and the tenacity, forcefulness and short, middle and long-term political strategies required to construct a compelling narrative capable of articulating and supporting the kinds of policies which will be required for the Shared Prosperity Plan for the 21st Century to succeed.

The Democratic Party has settled on shop-worn criticisms of Republican policies like “war on women” which have been ineffectual in developing a strong narrative backed by readily available evidence to counter the Republican narrative held together by tattered talking points and advanced by the rightward leaning Media Indoctrinaire Complex. Democrats fail to assemble the vast array of evidence lending support to the narrative they need to develop and propound with tenacity. In the era of “fake news” and “alternative facts,” much of the media may be willing and/or shamed into being more receptive to airing and printing evidence-based information, especially when it can be conveyed in simple to interpret tables and graphs. Every Democratic politician should carry with her or him five to ten of their favorite graphs supporting all and parts of the Democratic narrative and agenda; such graphs do double duty as they reveal the many flaws in the Republican narrative and their tattered talking points.
Figure 5.31 indicates Americans have consistently favored a fairer distribution of wealth for at least the last thirty-plus years. The real question is will they understand and support higher taxes which other developed countries have found necessary to support workers and families at 21st Century standards. The tax issue will be a hard nut to crack but must be cracked if most workers and families in America are to succeed. Unless the wages of most Americans can be magically raised dramatically, it will take more than less government involvement in addressing the growing income disparity in the country.

The ideals espoused by Democrats and the policies they support offer promise in attacking the damage done to workers and families in the Growing Inequality Era. It is admirable that Democrats want to align the party’s policies with disadvantaged, ignored and underserved populations. But without a compelling and overarching narrative addressing the concerns of all Americans, Republicans with some success portray Democrats as pandering to and promising things they are unable to deliver to their various constituencies, especially in the face of growing Republican obstructionism, and Republicans charge Democrats are ignoring the concerns and needs of so many Americans not in or wedded to these constituency groups.

Figure 5.32 reveals Americans already believe the Democratic Party is more balanced than the Republican Party in its serving poor, middle class and the rich, although a case can be made both parties,
especially the Republican Party, are overly attentive to the rich. The rich did not suffer during the Shared Prosperity Era and are prospering in the Growing Inequality Era while the poor and middle class have suffered; whereas 63% say the Democratic Party favor the poor and middle classes on 28% say the Republican Party does. If the Democratic Party can develop a narrative and offer policies and legislation, backed up by evidence, a solid majority of Americans should provide broad-based grass roots support for such a plan which will impact most Americans in positive ways.

The centerpiece of the Democratic narrative and the Shared Prosperity Plan for the 21st Century should involve the goal of changing the current failing political economy in the U.S. in ways designed to return the nation to a shared prosperity path producing results like those which existed in the Shared Prosperity Era from World War II to 1980. There is already vast grass roots support from across the political spectrum. Surveys show voters, especially young voters, are losing faith in capitalism. This is not surprising since younger voters have been experiencing feudal capitalism and mounting student debt and the difficulty many will have in reaching the level of economic security that their parents achieved. Even Donald Trump was smart enough in campaigning to pander and promise to do something for the little guy and gal. Unfortunately, as the tax legislation he backed shows, this is just one of the promises he said that he was not serious about.

Republican mantras to reduce federal programs and cut taxes indicate the party does not recognize or is unwilling to clean up the messes to which its intransigence and anachronistic policies have contributed. No other developed country has embarked on efforts to address 21st Century standards without raising taxes. The country’s inability to face the truth other developed countries have is turning American exceptionalism on its head and has produced a political economy unable to reverse the canary killing march of the Growing Inequality Era. Instead of canaries dying, it is the hopes and futures of workers and families being sacrificed to inimical forces we have the power to stop. Since the market has not been sharing the benefits from economic growth in a fairer manner, the role of government needs to be improved and expanded and higher taxes will be required to provide 21st Century standards. Higher taxes are a necessary step for returning the country to a shared prosperity path and meeting 21st Century standards for workers and families in a democracy. These higher taxes must be directed to support existing and new public policies and national legislation required to implement the Shared Prosperity Plan for the 21st Century.

The Democratic Party would appear to have a clue or two about what needs to be done but is clueless in articulating a compelling narrative, clear vision and willingness to take the bold actions required. The party is afraid to say things Americans and their constituencies may not want to hear and are waiting to capitalize on Republican mistakes instead of developing a strong narrative for the 21st Century. While waiting, Donald Trump was elected president. The Democratic Party is afraid of its own shadow at a time in the nation’s history where it needs to cast a long shadow over reforming the nation’s political economy. As Figure 5.33 indicates,
registered voters believe the Republican
Party, despite the evidence indicating
otherwise presented in this chapter and
shown in Figure 5.33, is better in dealing with
budget deficits and the economy. The 15-
point advantage Republicans enjoy on doing a
better job on budget deficits is laughable
given evidence in Figures 5.1, 5.2 and 5.3.
That Democrats do not constantly cite this
evidence borders on malfeasant.
Democrats do better than Republicans when
three of the four descriptive phrases in Figure
5.32 are considered; these being more willing
to work with the other party, more concerned
about needs of people like me, and governs in
more honest, ethical way. Given this, it is hard
to explain the slight edge Republicans have in
can better manage the federal government
since so much of the evidence provided above
indicates the contrary. The Republican
narrative is dog-eared and full of holes, but
they are effective and dogged in pushing the
inferior product they have to offer. Despite so
much evidence in their favor, Democrats have failed to develop a compelling narrative bolstered by readily available evidence. Democrats have and will continue to pay the price for this failure. Unfortunately, the
country is paying the price for the Democratic
Party’s failure to develop a compelling narrative from which policies supported by majorities of Americans are formed, fought for and enacted.

Every Democratic politician should carry around a folder with ten or more evocative
graphs providing evidence refuting specious claims made by Republicans and frequently unchallenged by the media. It may be difficult to get the attention of the media away from covering political food fights and the most ridiculous statement some candidate makes but this is a war Democrats must wage on behalf of their party and the country. Evidence refuting Republican claims will serve double duty by supporting the types of policies Democrats favor, including those designed to reduce income inequality.
At some point Democrats will have to be willing to tell the American people things they are not anxious to hear, such as taxes will have to be higher than they are currently if 21st Century standards are to be attained for American workers and families. This assertion is backed up by Chapter 4 where it is shown virtually every other OECD country which has been attempting to provide workers and families with 21st Century level public goods and services and protections has found it necessary to increase overall taxes to provide such. Most OECD countries provide healthcare systems that cover all their citizens, produce outcomes comparable or better than those provided in the U.S., and do so at a much lower per capita cost than in the U.S. with more rather than less government involvement in.

Democrats have not been immune to relying on and catering to large donors and Wall Street interests. Large corporations donate to both political parties and between 2007 and 2017 Democrats held their own in contributions from the top 30 Fortune 500 donors. Some of this might be explained by a Democratic president for much of this time. Corporations are not averse to donating to candidates in a political party which does not support their agenda as much as candidates in the other party once they are elected in hopes of currying favor and having a voice. Some of the largest individual donors give to Democrats. It is not as obvious that billionaires inclined to donate to Democrats are motivated as much as billionaires donating on the right to support legislation which will increase their own wealth.

The Democratic Party after huge losses in state legislatures and governor offices across the nation paid the price for putting all its eggs in one basket by thinking that holding on to the White House would avert disaster. Well the election of any Republican, let alone Donald Trump, is a bitter pill Democrats are still trying to swallow. As Republicans worked with or perhaps for their wealthy donors and built an extensive network of highly partisan think tanks, academics for hire institutes, a stable of media mouthpieces and the Supreme Court which approved dark money casinos to fund all things Republican, what was the Democratic Party doing.

Democrats need to make shared prosperity its overarching economic goal since it can benefit the largest number of Americans. Honoring the adage “do no harm,” the quickest way to start on a new shared prosperity path is to halt policies which have contributed to and if continued will sustain the Growing Inequality Era. It is imperative current policies and newly enacted policies are in place to ensure the benefits of economic growth reduce income inequality.

**Summary**

Figure 5.34 supplies strong indications policies advanced when Democrats control the White House have been more effective than policies advanced by Republicans when they control the White House for all eight measures on the graph. Republicans come closest on corporate profits but even they are higher under Democratic presidents. When it comes to growth in GDP, GDP/per capita, industry, job growth, employee hour growth, S&P 500 and productivity do over two times better than Republicans on six of the seven measures. Why the Democratic Party does not interject this real-world evidence, especially in the era of fake news, is rather astounding and
borders on dereliction of duty. Touting a long-playing and impressive record backed by 70 years of evidence would appear to be a no brainer.

This record suggests Democratic policies are closer to those which will be required to execute a *Shared Prosperity Plan for the 21st Century*. That the party does such a poor job in making this case and backing it up with readily available supporting evidence is shocking. A media fond of covering political food fights will have to be pressed to cite this evidence whenever Republican claims at odds with the evidence are made. The party that can articulate a *Shared Prosperity Plan for the 21st Century* and is fighting to implement such a plan should receive broad public support. Even the most ardent Trump voters might be attracted by a plan rather than the con job they bought into. Why?

**Expanding the Middle Class**

The political economies operating in developed Western European countries have been successful in creating a broader middle-income group than the U.S. In the process, the lower income and upper income groups are less represented than in the U.S. (Figure 5.35) As this chapter has demonstrated, the higher and more progressive taxes in the European countries provide guaranteed paid benefits and greater economic security for workers and families than
are provided in the U.S. For example, paid parental leave allows workers in Europe to tend to the sick child, care for an ailing parent and not suffer adverse economic consequences.

To pretend the U.S. can continue to tax itself at a lower rate and provide 21st Century benefits and economic security for its workers and families is delusional. Republican calls for free market solutions in when feudal capitalism prevails explains why our nation is in the economic fix it is in which threatens our democracy. In the Growing Inequality Era, it is clear free market solutions have been hijacked to the advantage to the big corporate and billionaire donors on which Republicans have been so dependent.

Senator Lindsey Graham admitted GOP donors would quit giving to Republicans if Congress did not pass the 2017 Tax Cuts and Jobs Act, which skewed heavily in their favor. He said, "The party fractures, most incumbents in 2018 will get a severe primary challenge, a lot of them will probably lose, the base will fracture, the financial contributions will stop, other than that it'll be fine."

If the nation can return to a shared prosperity path, Democrats, Independents, Republicans, Catholics, Protestants, Jews, Muslims, Buddhists, Hindus, people of other faiths, agnostics, atheists, people from big cities, suburbs, small towns, rural areas, meat eaters, vegetarians, Coke drinkers, Pepsi drinkers, people in all walks of life, right handers, left handers, sport's enthusiasts, couch potatoes, Virgos, Aires, Leos and other signs of the zodiac, climate science believers and deniers, boxer or brief wearers, conspiracy theory devotees, viewers of Fox, MSNBC and CNN, music lovers of
classical, blues, jazz, rock, soul, hip hop, country, opera and countless other Americans, workers and families will be better off.

Figure 3.35: A top economic priority of the Democratic Party should be to modify existing tax legislation and public policies and enact new policies to halt and reverse the adverse impacts on workers and families during the Growing Inequality Era and return to the more equitable distribution of benefits from economic growth as pertained in the Shared Prosperity Era.