



Inflation could cost Biden and the Democrats greatly

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There is a reason President Joe Biden has gone from describing inflation as "transitory" to listing it as his "top domestic priority." The last time inflation, now running at a 41-year high, was this bad, rising consumer prices helped make the Democrat in the White House a one-term president. Republicans won the next three presidential elections.

Biden would like to avoid this fate. It may be too late for the narrow Democratic congressional majorities, especially in the House. Already disfavored due to recent history and redistricting, inflation appears to be the issue most likely to fuel a red wave in November.

A June NewsNation/Decision Desk poll found that 76% of registered voters were very concerned about inflation, with another 21% somewhat concerned. Just 2.4% were not too concerned, with a minuscule 0.3% not concerned at all. Nearly 72% viewed inflation as the biggest problem facing the country, almost 62 percentage points ahead of COVID-19.

The same survey concluded that a tick under 42% of respondents think that Biden is the person most responsible for the current state of the economy. Consequently, close to 58% disapproved of his performance in office. Only 15% strongly approved, while 43% strongly disapproved. The *RealClearPolitics* polling average shows 64% disapprove of how Biden is handling the economy.

Biden isn't on the ballot this year, but these numbers will be difficult for other Democrats to overcome. They are likely to become inflation's next biggest losers. Even as the president sought to reassure the public of his commitment to fighting inflation in a *Wall Street Journal* op-ed, he wrote, "The U.S. is in a better economic position than almost any other country." A June *Reuters* poll found that 71% believed the country was on the wrong track. A scant 18% disagreed.

"Democrats believe that they can spend their way to prosperity. It doesn't work with a home budget, and it certainly doesn't work with a national one either," said Republican strategist Bradley Blakeman.

By contrast, Republicans will probably be political winners as a result of this inflationary run. This is despite the fact that much of the spending helping to feed this inflation was passed by a Republican-controlled Senate in addition to a Democratic House and signed into law by former

President Donald Trump. But Biden's \$1.9 trillion American Rescue Plan passed without a single Republican vote and was signed into law after the economy was already awash in over \$3 trillion of stimulus spending from the prior administration and Congress.

But inflation was not evident to ordinary consumers under Trump. The Consumer Price Index rose by an average of 1.9% annually each year the former president was in office. The last time inflation was a major political issue, it had been high under two Republican presidents. Richard Nixon attempted to fight it through wage and price controls, while Gerald Ford launched the much-ridiculed "Whip Inflation Now" campaign. But it was Democratic President Jimmy Carter who bore the brunt of the blame, as stagflation (an unappetizing mix of slow economic growth and high inflation) contributed mightily to his 1980 landslide defeat. Republicans also won their first Senate majority since the 1950s that year.

As the Federal Reserve resorts to interest rate hikes to combat inflation, a similar economic challenge could emerge. Biden has begun offering the same assurances on the unlikelihood of a recession that he once did on persistent inflation. Since inflation is predominantly a monetary phenomenon, however, some consider the Fed a loser as well.

"The Federal Reserve is most culpable for today's high inflation because monetary stability is a central goal of the institution," said Chris Edwards, a tax and budget policy expert at the libertarian Cato Institute. "Despite having hundreds of brainy Ph.D. economists and many complex computer models, the Fed completely blew it. That tells you about the ability of Washington experts to micromanage America's vast economy. They can't do it and shouldn't try."

With gasoline prices above \$4 a gallon, oil companies could also stand to lose politically. "To the companies running gas stations and setting those prices at the pump: This is a time of war, global peril, Ukraine," Biden said. "These are not normal times."

At the same time, environmentalists who criticize oil companies have lost as Biden has been forced to make concessions to the energy sector to keep prices from spiking further.

Inflation is bad for consumers, especially those on low or fixed incomes. But it can also be devastating for the people in power when it gets out of control.