



WEDNESDAY, FEBRUARY 22, 2012

## Hard To Understand Why Big Business Is So Committed To The Republicans?

The stock market is way up again and many economic indicators are pointing upwards as well. Any rational judge would say that Obama's fiscal and economic policies-- despite concerted, persistent and even vicious Republican Party obstructionism every step of the way-- are working. And, on the Dark Side, Obama hasn't exactly been an enemy of Business. Just as George H.W. Bush failed in delivering NAFTA for corporate America, leaving it for craven Democrats Bill Clinton and Rahm Emanuel to do the foul deed, Obama has sucked up to corporate America in a way he could only get away with when the threat from the GOP towards the country is "so much worse" than from the Democrats. Now we even hear that Obama is pushing to cut the corporate tax rate from 35 to 28 percent. And it isn't just Obama. Senate Democrats are overwhelmingly pro-Business (which means, anti-family, anti-worker, anti-consumer). Blue America only endorsed one Senate incumbent up for reelection this year and technically he isn't even a Democrat! And the House is split down the middle. The DCCC works hand and hand with the conservative/reactionary Blue Dog caucus to torpedo progressive working class candidates for Congress and to elect millionaires and "business-friendly" corporate shells and corrupt careerists (like themselves).

This morning when the Communications Workers of America joined AFSCME, Illinois Federation of Teachers, Transport Workers Union of America, the International Longshoremen's Association and a dozen other unions to endorse Ilya Sheyman for Congress in the Illinois suburbs north of Chicago, it's important to remember that Steny Hoyer and the conservative New Dems are backing-- and financing-- his Republican-lite opponent, a corporate shell who has consistently contributed money to the campaigns of right-wing, anti-worker Republicans.

Ron Honse, Illinois Legislative-Political Director of Communications Workers of America, hit on something important when he said "Ilya is exactly the kind of candidate the labor movement needs to rally behind in 2012. Working families of Illinois need a proven progressive champion like Ilya Sheyman to go to Congress and fight to create jobs, reinvest in the economy, and rebuild the middle class. The Communications Workers of America is proud to endorse Ilya Sheyman and confident his massive, people-powered campaign will be the one to turn the 10th blue this November."

This *isn't* what the one percenters who are backing Romney and a Republican Congress want to hear. They may be happy with Obama and with the Blue Dogs but this kind of talk makes them want to... write million dollar checks to finance a right-wing take-over. And it isn't only labor unions behind Ilya's campaign. [Blue America endorsed him](#) as soon as he declared and progressive champions like Alan Grayson, Raul Grijalva, Donna Edwards, Keith Ellison and Jesse Jackson, Jr. did as well. And so have MoveOn, DFA, PCCC, Council for a Livable World, and dozens of civic and good government groups, local, statewide and national.

Joshua Holland, in his book [The 15 Biggest Lies About The Economy](#), delves into what makes Big Business and the one percent finance conservatives, even when conservative solutions are proven over and over to be bad for the economy and bad for society.

In early 2010, the American people got some rare insight into what conservatives' vision of "economic freedom" really means, in specific terms, when Representative Paul Ryan (R-WI) released a remarkable document that quickly became a political hot potato in Washington, D.C.

...Many Republicans, however-- all but those furthest to the Right-- sought to distance themselves from Ryan's proposals. House Minority Leader John Boehner (R-OH) told reporters, "It's his," and added, "I know the Democrats are trying to say that it's the Republican leadership. But they know that's not the case." Yet when he was asked which parts of the Roadmap he didn't favor, Boehner responded, "Off the top of my head, I couldn't tell you."

The reason many Republicans were cautious about embracing Ryan's Roadmap-- and Democrats eager to tout its supposed virtues-- is that it was not only the embodiment of modern conservative thinking about the roles of private enterprise and government but, as Pete Wehner, a senior fellow at the conservative Ethics and Public Policy Center, put it, the plan represents an "intellectually honest document," and, as such, "has real numbers and it puts forward real proposals."

That's problematic for conservatives-- a much harder sell than some ideologically spun notion of preserving our "freedom." In a nutshell, the proposal would further the economic trends that have prevailed since the Reagan Revolution. It slashes and burns most of the bedrock social security programs on which Americans have come to rely, shifting ever-greater quantities of risk onto the backs of the middle class; it would offer deep tax cuts to businesses and the country's wealthiest individuals and eliminate taxes on investment gains altogether.

According to an analysis of the plan by the nonpartisan Tax Policy Center, "The Roadmap's tax provisions would be highly regressive compared with the current tax system." If the Roadmap were enacted, the bottom 80 percent of the

economic ladder would see their after-tax incomes remain about the same, those in the top 1 percent of the economic heap would see theirs shoot up by 26 percent, and the incomes of those in the top tenth of the top 1 percent would increase by 36 percent. The result? According to the Tax Policy Center's figures, "The share of total taxes paid by the bottom 80 percent would rise from 35 percent to 42 percent, while the share paid by the top 1 percent would fall by nearly half from 25 percent to 13.5 percent."

Ryan's proposal would replace the surety of Social Security with privatized accounts held by Wall Street brokerage firms (these firms, in turn, would gain a fat new stream of fees and have lobbied for the scheme for years). The idea is that by harnessing the "magic of compound interest," working people would be able to put away enough acorns for a comfortable retirement.

The Cato Institute, the Heritage Foundation, and others have touted the 7 percent annual returns the S&P 500 delivered on average since the mid-1920s. Yet that number is itself a lie. According to an analysis of historical stock market gains conducted by Steven Johnson, the director of the SimCivic organization, two-thirds of those long-term "returns" were from dividends being reinvested in additional purchases of stock. The actual rate of capital growth over that time averaged only 2.3 percent per year, comparable to the 1.8 percent returns on the Treasury bills sitting in the Social Security Trust Fund.

The stock market is significantly riskier than T-bills, and more risk does bring a higher rate of return, which is fine for some investors but a bad idea for a guaranteed retirement program. Americans forcefully rejected a similar proposal during George W. Bush's term in office, and it was a good thing that they did-- U.S. families lost \$7 trillion in stock wealth during the recession that followed. Those nearing retirement age face frightening prospects as it stands, with the value of their homes and IRAs in the tank, but they would have been truly screwed if not for the modest but guaranteed income afforded by Social Security.

Yet the 0.5 percent difference doesn't tell the whole story. If Social Security were privatized, its insurance provisions would be eliminated (sorry, no more aid to needy widows and orphans or the severely disabled). If adopted, the conservative Roadmap would also eliminate Medicare, Medicaid, and the S-chip program that offers free health care to children living in poverty. It would eliminate the tax deductions that employers receive for providing their workers with health insurance.

In their stead, Ryan's Roadmap" would create a system of vouchers for those kicked off our existing public health programs. They would theoretically allow people to purchase private insurance policies. At first. But the value of the vouchers would be indexed to inflation, and health-care costs are rising much

faster than that. From 1998 to 2008, insurance premiums increased by 131 percent, while inflation during that same period amounted to only a little less than 30 percent.

According to the Center on Budget and Policy Priorities, Ryan's Roadmap "calls for radical policy changes that would result in a massive transfer of resources from the broad majority of Americans to the nation's wealthiest individuals." But here's the rub: Ryan and those who advocate his economic approach justify these "radical" transfers of wealth as a hard solution to a pressing problem-- the so-called entitlement crisis and the supposedly crushing deficits it's causing. Yet the Center on Budget and Policy Priorities found that under Ryan's scheme, "The [national] debt would continue to grow in relation to the size of the economy for at least 40 more years-- reaching over 175 percent of GDP by 2050."

Small wonder that conservatives stick to lofty rhetoric about "liberty" and "economic freedom"-- they certainly can't honestly sell policies like these to the American public on their merits.

In the end... it's all about the Greed, the Greed and Selfishness. That's why a few dozen hedge fund managers and speculators are trying to buy Romney-- one of their own-- the presidency and are willing to foot the bill to make sure the Republicans win the Senate and retain the House. A reminder, Ilya Sheyman and the progressive Democrat running against Paul Ryan, Rob Zerban, are on the same page.

