

Pardon The Reality: An Eisenhower Republican's lament

Written by Robby Rothfeld
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"Suppose I offered to lend you money at less than 1% interest and then guaranteed you an annual return of 15% to 25% on those funds for the foreseeable future, plus annual bonuses and long-term benefits," said my neighbor from his plush easy chair. "What would you do?"

"Call the attorney general and have you investigated," I said.

"Fair enough. But suppose it's completely legit."

The neighbor is a senior executive at a too-big-to-fail bank. I'll call him Dimon.

I had a feeling he was setting me up, but I went for it.

"Okay, I'd take the deal," I said, and waited for a "Ha!" but in vain.

"I'd take it, too," Dimon said, "which is why I can't understand Congress's refusal to pass any Obama stimulus plan, large or small, since the too-small 2009 stimulus that nevertheless created three million jobs."

"So you haven't noticed that Congressional Republicans are committed to one of the most cynical, heartless, unconscionable plots ever executed by elected legislators, namely, acting to ensure that tens of millions of Americans suffer needlessly for four years, so the GOP can blame Obama for not fixing the disaster he inherited from... those very same Republicans.

"After all, what's four years of suffering for the little people compared to winning back the White House in 2012? But what does Congress have to do with your 15% to 25% deal?"

Dimon answered with the weariness of the superior. "The Treasury is currently paying about 0.75% interest on five-year bonds. That rate is locked in once the bonds are sold, no matter what happens in the marketplace afterwards."

"And Treasury's paying 0% interest on one-year debt," I said.

"Can we stay on point?"

I was silent.

"Suppose the Feds use those bonds to fund infrastructure jobs and state and local governments' hiring of teachers, firefighters, police, etc.," Dimon said. "As a group, those workers pay an effective federal tax rate of 15% to 25%, plus, together with their employers, they pay additional taxes supporting Medicare and Social Security.

"And middle-class workers tend to spend their salaries domestically, as opposed to we 1%-ers, who buy expensive imported sports cars and the like.

"So the economy gets a big boost and local governments can afford to keep supporting those jobs, generating even more revenue for the Treasury. Even after administrative costs, the Feds make enough on the spread — revenue in, less interest out — to retire the debt, and then some. Key social programs get supported, taxpayers more than get their money back, we get over the recession hump for good..."

I eyed Dimon suspiciously. "What's the downside?"

"I don't know. You'd have to ask Mitch McConnell and John Boehner and Nan Hayworth. They're the ones who won't let any stimulus bills even come to the floor for a vote."

"Pretty startling words from a lifelong Republican," I said. "Did I mention that Congressional Republicans are cynically quashing stimulus bills for purely political gain?"

Dimon frowned. "I'm an Eisenhower Republican, not a doctrinaire politician. Those idiots must know that every unbiased economist who's studied the Great Depression-

"That would exclude economists from propaganda tanks like the American Enterprise Institute, Heritage Foundation, Hoover Institute and Cato Institute," I said.

"Aren't you the one who complains that conservatives always interrupt their opponents so they can't make a point?"

I hung my head in shame.

Dimon continued. "Virtually all legitimate Great Depression experts agree that the government should be spending when times are bad, and recouping when things get better. Clinton did that and produced huge surpluses. And in Europe, who's suffering the most? Countries that followed the austerity route, like Ireland and Greece. Who's doing the best? Countries with the biggest social spending programs, like Sweden and Germany."

"Are you sure you're still a Republican?"

Dimon gazed wistfully down at his manicured fingernails. "The only thing I'm sure about these days is the sanctity of my annual eight-figure bonus."

A tear rolled down his cheek.

"God Bless America," he said.

Editor's note: Robby Rothfeld of South Salem will appear bi-weekly as the progressive columnist for The Ledger. He is an executive producer at a TV production company and a contributing editor at TheFiveLakesHeron.com.