



## FRIENDS OF THE MIDDLE NEWSLETTER #269 — NOV. 14, 2012

*Welcome to always lively political discussion and whatever else comes up.*  
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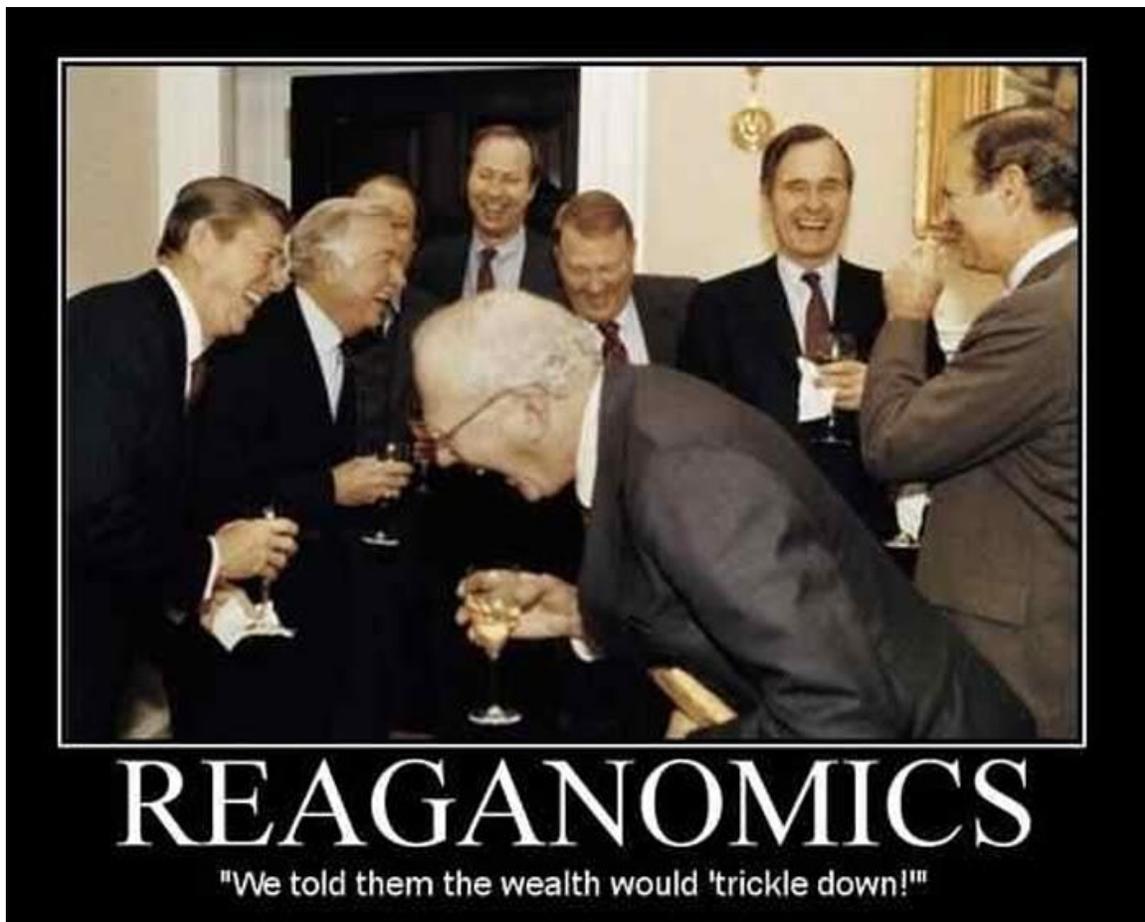
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### **The Death of Supply-Side Economics**

(posted by Steven W. Baker / SteveB, Nov. 14, 2012)

I think the author below makes a very important point that has been overlooked because it seemed almost as if Mitt R0mney didn't run on any issues. I guess Republicans would love for us to forget that he ran on more of the same bankrupt Reaganomics as Bush did!

Notice, it didn't quite work so well this time around. Nobody really believed it. Well, the good old "voter-suppressed" majority certainly didn't. They said "no" to R0mney's tax and pony trick.



"How Mitt Romney Finally Killed Reaganomics" by Michael Tomasky, The Daily Beast

Nov 13, 2012. (<http://www.thedailybeast.com/articles/2012/11/13/michael-tomasky-on-how-mitt-romney-finally-killed-reaganomics.html>)

(Post-election chatter has focused on demographics, Latinos, and the culture war. But the most significant consequence of the election may be the death of trickle-down economics.)

Here's something that happened in this election that has been largely overlooked but I think is a very big deal indeed. Trickle-down economics died last Tuesday. The post-election chatter has been dominated by demographics, Latinos, women, and the culture war. But economics played a strong and even pivotal role in this election too, and Reaganomics came out a huge loser, while the Democrats have started to wrap their arms around a simple, winning alternative: the idea that government must invest in the middle class and not the rich. It's middle-out economics instead of trickle-down, and it won last week and will keep on winning.

You know the history. Arthur Laffer sketched out his famous curve—whether on a napkin or not is apparently still debated—back in 1974, when the top marginal rate was 90 percent. There is a certain point, Laffer explained, at which rates decrease revenue. Since many of the people to whom he was doing this explaining found themselves to be in or near the top bracket, quite naturally they liked his theory a lot.

Up sprang the nonprofits devoted to getting the little people to buy in to the idea that taxes on the wealthy should be lowered, and soon enough supply-side economics was born. Along came Ronald Reagan to assure everyone that the rising tide would lift all boats. It's never happened quite the way conservatives said it would. Even during the general prosperity of the second Reagan term, income inequality began to expand dramatically, wage stagnation became a permanent feature of American life, and the immiseration of the poor worsened.

So supply side's first shot at governance was at best half a success. Then came the second go-round under George W. Bush, and this of course was an unmitigated disaster. You know the details on that. But as catastrophic as the Bush era was, the fear has always existed that people would vote to go back to that. After all, it's pretty hard to turn down a 20-percent tax cut, right?

Actually, it turned out that most voters were able to turn it down. Mitt Romney was offering people a bigger cut than even Bush had. It was the centerpiece of his campaign, as it had been of Bush's, and it was the central policy issue of this campaign in a way that Bush's tax proposal wasn't in 2000. In other words, **if there was a single policy issue on which people voted this time, it was tax policy—whether everyone should get a massive cut (Romney), or whether the middle class should be held harmless and the wealthy should pay more (Barack Obama)**. It's impossible to imagine a way in which the choice could have been clearer. And it's hard to imagine the voters' response being much clearer, either.

Supply side was rejected. And in its place, voters went for an economic vision that says: don't invest in the wealthy in the hope that they'll decide to spread the wealth around; invest in the middle class, because it's demand from a prosperous middle class that ultimately creates more jobs, and because doing that makes for a healthier society all the way around. Obama embraced this message late last year in his speech in Kansas, and even though I wouldn't say he pressed it consistently for a whole year, he certainly emphasized it in the second debate and spoke regularly about it toward the end. "I believe you grow the economy from the middle out," he said in a key October ad.

He did not originate the phrase. Writing in *The New York Times* in July, Nick Hanauer and Eric Liu, authors of *The Gardens of Democracy*, wrote: "Lasting growth doesn't trickle down; it emerges from the middle out."

A whole cohort of progressive economists and activists has been at work on middle-class economics since 2009. Robert Reich has been there, as have Hanauer and Liu and the Center for American Progress, especially Heather Boushey and David Madland. I'm proud to add that the journal I edit, *Democracy*, has been in on this crusade too. Hanauer and Liu are advisers to the journal, and in our Spring 2011 issue Madland wrote the first long piece to appear on middle-class economics.

Well, it takes a village, as they say. But middle-out economics is still in formation. It will be up to Obama, those named above, and others to provide more definition over the course of a second term. But even if that isn't yet fully clear, this is: trickle-down economics is over. **There was a time when a promise of a 20-percent tax cut would have ended the whole conversation in Romney's favor. But all it accomplished this time was to raise questions—legitimate and never answered—about how he was going to pay for it.** Romney had nothing to say to the middle class beyond cutting taxes and watching the magic happen. But voters have stopped believing in that magic.

Some conservatives understand this. But it's literally three or four people right now—Ramesh Ponnuru, Ross Douthat, Reihan Salam, and maybe one or two others. The rest of the Republican Party is still in fantasy land. You may have seen a few days before the election that Mitch McConnell killed a Congressional Research Service report on taxes. Its offense? To assert that lowering top tax rates doesn't necessarily produce more revenue and growth.

That's Republican theology. Some time will be needed before any reformation is accepted. But as far as the voters are concerned, that god is dead.

**"I'm not looking for a \$5 trillion dollar tax cut."**  
- Willard Mitt Romney, Denver Debate, 3 Oct 12

**"I said today that we're going to cut taxes for everybody across the country by 20%, including the top 1%."**  
-Willard Mitt Romney, GOP Primary Debate, 22 Feb 12

**And how much would cutting tax rates for everybody by 20% cost the country in tax revenues?**

**\$5 trillion dollars**

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<a href="#">20121113-01</a>	07:59	MarthaH	"The GOP Is No Party for Blacks, Latinos and Gays"
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"The GOP Is No Party for Blacks, Latinos and Gays" by Jonathan Capehart, *The Washington Post*

Nov. 12, 2012, ([http://www.washingtonpost.com/blogs/post-partisan/post/the-gop-is-no-party-for-blacks-latinos-and-gays/2012/11/12/ebfecab2-2c73-11e2-a99d-5c4203af7b7a\\_blog.html](http://www.washingtonpost.com/blogs/post-partisan/post/the-gop-is-no-party-for-blacks-latinos-and-gays/2012/11/12/ebfecab2-2c73-11e2-a99d-5c4203af7b7a_blog.html))

The Republican meltdown over its decisive loss at the ballot box in the presidential election has been a sight to behold. Karl Rove flipped out on Fox News. Mary Matalin had a near-meltdown on CNN. And, according to *The Post*, the GOP has begun "an exhaustive review to figure out what went wrong and how to fix it." That's a waste of time and (more) money. Everyone in the reality-based community knows what went wrong.

The coalition President Obama put together in 2008 came out big for him again in 2012. A big chunk of the reason is because African Americans, Latinos, young people, women and more than a few "white guys" like him. But the intemperate remarks of Republican candidates, including presidential nominee Mitt Romney, on a host of issues that many of these groups care about also did them in.

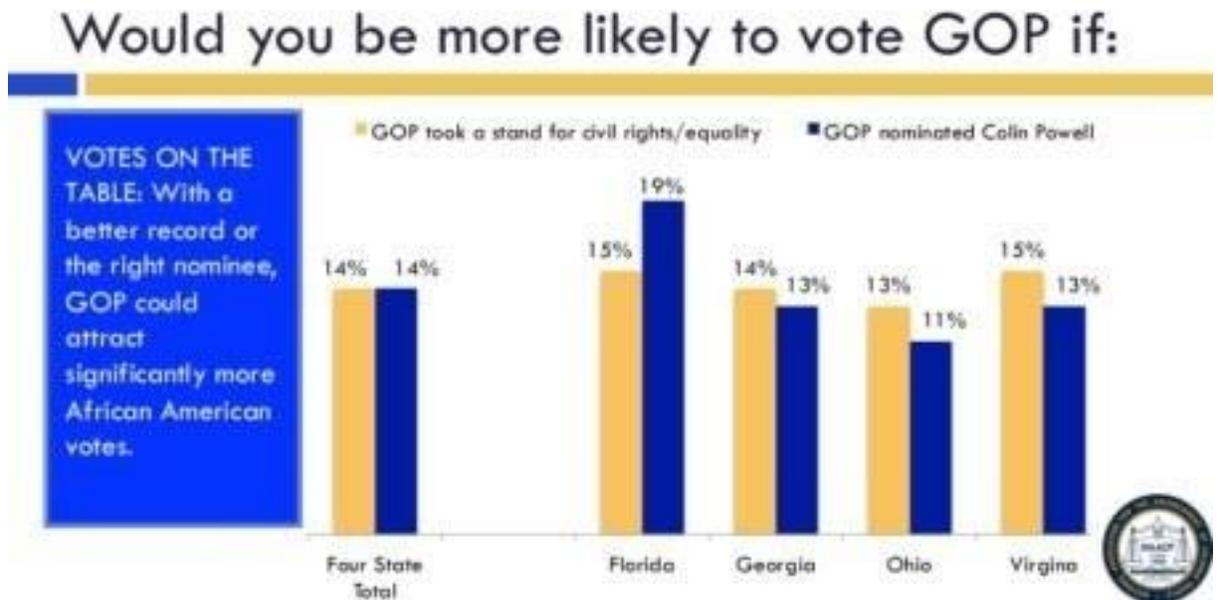
What many Republican leaders fail to understand is that the party is leaving votes on the table that could be theirs. Votes they once were able to attract before they became viewed as a collection of mean, monochromatic and reactionary people clinging to Ronald Reagan's America instead of coming to terms with, if not embracing, the vibrant nation we live in today.

Romney snatched 6 percent of the African American vote away from Obama. That was 2 percent better than Sen. John McCain attracted in 2008. But Romney has nothing on the late President Richard Nixon, who got 18 percent of the black vote in 1972. No Republican has matched that level of support since.

Romney got 27 percent of the Latino vote. But that was 17 points below what President George W. Bush garnered in 2004. No Republican had reached that level of support before him, and none has since. McCain earned 31 percent of the Latino vote, four points more than Romney.

While African Americans and Latinos are reliable voting blocs for Democrats, they certainly are not beyond reach of Republicans. And polls of blacks and Latinos in key swing states show that, had Romney shown a combination of moderation, compassion and interest, he could have won.

An ImpreMedia/Latino Decisions 2012 Latino Election Eve Poll surveyed Hispanic voters in 11 states. When asked if they would be "more likely" or "less likely" to vote GOP "if the Republican Party took a leadership role in supporting comprehensive immigration reform," 31 percent said "more likely." Romney's ridiculous invention of "self-deportation" helped him snuff out the primary challenge from Texas Gov. Rick Perry, but it also killed his appeal to Latino voters.



On the eve of the election, the NAACP asked African American voters in Florida, Georgia, Ohio and Virginia if they would be more likely to vote Republican if the "GOP took a stand for civil rights/equality." The four-state total was 14 percent. In Florida, the percentage went up to 15 percent. The president won the Sunshine State by just 74,000 votes.

The NAACP also asked those same voters if they'd be more likely to vote Republican if the party's nominee were former secretary of state Colin Powell. The four-state total was 14 percent, but in Florida his support shot up to 19 percent. Trying to get black votes while running against the first African American president is tough enough. But when the GOP nominee repeats proven lies about the president's welfare policy, has surrogates calling him the "Food Stamp president" and has fellow Republicans in other states trying to suppress black votes, the task of winning them over was damned near impossible.

And while we're at it, let me remind you about the gay vote. A Harris Interactive-Logo TV poll of lesbian, gay, bisexual and transgender (LGBT) Americans released in August showed that Romney was leaving LGBT votes on the table. Romney was pro-gay rights before he was against them. His promise to sign a constitutional amendment to ban same-sex marriage and his waffling on support for civil unions and adoption rights were particularly off-putting.

Yet, when asked if Romney "held the same positions on issues related to gay rights" as Obama, 22 percent said they would be "more likely to vote for Romney." Considering that 67 percent expressed support for Obama, a shift in support that big toward Romney would have tied the two for the LGBT vote. That's nothing to sneeze at in an election everyone believed to be close.

Each of these groups has its specific concerns. But the issue that united them was the one that concerned all Americans: the economy and jobs. So the Republican Party needs to spend less time figuring out what went wrong and more time figuring out how to talk to these voters in a way that broadens its appeal rather than insults potential supporters.

[20121113-02](#) 11:35 Art Re: Thomas (FotM Newsletter #268)

And another conservative can't handle the light of day. What was the tripe that so offended him?

[20121113-04](#) 12:51 SteveB Re: Thomas (reply to Art, above)

No idea! Maybe we will learn today...though I rather doubt it...

Always fun when the Right shows-up, though...

[20121113-08](#) 15:18 Thomas Re: FotM Newsletter #268 (reply to SteveB)

Yes I'm in it [*FotM Newsletter #268*] but I sleep well at night. I don't kill babies, you and yours do. Abortion, a woman's right to be a slut. Progressive - Definition of "I have no values". Obama the biggest know nothing ever elected. Constituency of takers and Obama Claus the giver. I guess you people are too slow to understand that sooner or later the gravy train runs out. I have my ducks already set up with the federal government never getting another direct penny from me. I can honestly say I don't care about all the taker groups you listed, like muslims, mexicans or any other dependent group. We take care of those in need not those that want. How's the government working out for the NE weather victims? Not so well. What is mine is mine for me and my family not for you or any other bullshit group to take and give away. Keep sucking at the Obama tit, he's already thrown your homosexual brethren to the curb i.e. homosexual marriage is not going to be a part of the agenda for the upcoming administration. Keep sucking and someday you may get some nourishment, NOT. Re-elected, so doesn't need them anymore. Unfortunately for you if this country ever gets bad enough you will be the first to go. Weak, no skills and totally without capability of self-defense. Sheep don't last long. Hope you make it.

[20121113-11](#) 17:08 Pam Re: FotM Newsletter #268 (reply to Thomas, above)

This is a perfect example of the kind of thinking we've been decrying--intolerant, narrow-minded, uncharitable. It won't hurt us in the long run, because he and his kind will do nothing to contribute to the actual working of society. He can throw mud at it, but he can't change the tide of history, which is running against him. It must be so hard to live with such bitterness in your heart.

[20121113-15](#) 19:54 Art Re: FotM Newsletter #268 (reply to Pam & SteveB, above)

Unbelievable. I have Golden Retrievers with more common sense. It's why you cannot have an intelligent conversation with these people. They have no logic and when called upon to present any, revert to this drivel.

As for his martial skills, I doubt he'd last five seconds in a real firefight. Certainly doesn't worry me. Seen these jerks before, they are the first to go.

[20121113-16](#) 20:09 Beth Re: FotM Newsletter #268 (reply to all, above)

Art is absolutely right! What this guy is saying is "don't bother me with the facts. I already know what I think. Whatever Karl, Glenn and Rush say works for me.". Blather!

[20121113-03](#) 12:24 Bill Re: Securing the High Ground (reply to SandyI & MarthaH, FotM Newsletter #268)

Thanks to SandyI and MarthaH for conveying an article with reasonable empathy for the red side.

[20121113-05](#) 12:52 SteveB Re: Securing the High Ground (reply to Bill, above)

Screw the red side! :-)

[20121113-06](#) 13:14 Bill Re: Securing the High Ground (reply to SteveB, above)

My basic sympathies are like yours, but for the sake of avoiding civil war....

[20121113-07](#) 13:54 SteveB Re: Securing the High Ground (reply to Bill, above)

Maybe we could just let them secede like they want to?

We could have the United States of America and the United States of Christmas Past.

[20121113-10](#) 15:58 Bill Re: Securing the High Ground (reply to SteveB, above)

You're no Lincoln. I knew Lincoln, and you're....

Well, anyway, they're all mixed in with the rest of us. It's probably not practical.

[20121113-12](#) 18:47 SteveG Fw: Enlightened States of America?

The other side of Thomas?

[Source of original mail unknown. -SteveB]

Dear Red States:

We're ticked off at your Neanderthal attitudes and politics and we've decided we're leaving.

We in New York intend to form our own country and we're taking the other Blue States with us.

In case you aren't aware that includes California, Hawaii, Oregon, Washington, Minnesota, Wisconsin, Michigan, Illinois and the rest of the Northeast.

We believe this split will be beneficial to the nation and especially to the people of the new country of The Enlightened States of America (E.S.A).

To sum up briefly:

You get Texas, Oklahoma and all the slave states.

We get stem cell research and the best beaches.

We get Andrew Cuomo and Elizabeth Warren. You get Bobby Jindal and Todd Akin.

We get the Statue of Liberty. You get OpryLand.

We get Intel and Microsoft. You get WorldCom.

We get Harvard. You get Ole' Miss.

We get 85 percent of America's venture capital and entrepreneurs.

We get two-thirds of the tax revenue. You get to make the red states pay their fair share.

Since our aggregate divorce rate is 22 percent lower than the Christian Coalition's, we get a bunch of happy families. You get a bunch of single moms.

With the Blue States in hand we will have firm control of 80% of the country's fresh water, more than 90% of the pineapple and lettuce, 92% of the nation's fresh fruit, 95% of America's quality wines (you can serve French wines at state dinners) 90% of all cheese, 90 percent of the high tech industry, most of the US low sulfur coal, all living redwoods, sequoias and condors, all the Ivy and Seven Sister schools plus Harvard, Yale, Stanford, Cal Tech and MIT.

With the Red States you will have to cope with 88% of all obese Americans and their projected health care costs, 92% of all US mosquitoes, nearly 100% of the tornadoes, 90% of the hurricanes, 99% of all Southern Baptists, virtually 100% of all televangelists, Rush Limbaugh, Bob Jones University, Clemson and the University of Georgia.

We get Hollywood and Yosemite, thank you.

38% of those in the Red states believe Jonah was actually swallowed by a whale, 62% believe life is sacred unless we're discussing the death penalty or gun laws, 44% say that evolution is only a theory, 53% that Saddam was involved in 9/11 and 61% of you crazy bastards believe you are people with higher morals than we lefties.

We're taking the good weed too. You can have that crap they grow in Mexico.

Sincerely, Citizen of the Enlightened States of America

<a href="#">20121113-13</a>	18:54	Pam	Re: Enlightened States of America? (reply to SteveG, above)
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Fabulous!

<a href="#">20121113-14</a>	19:45	Art	Re: Enlightened States of America? (reply to SteveG, above)
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Really good.

<a href="#">20121113-09</a>	15:37	Ben	Photo: Today's Seafood Lunch at Apple
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Yep. I saw Chef Patricia about her tilefish, and I am glad I did!

Being early at the cafeteria, as it opens at 11:30, is always interesting. The number of people waiting outside the doors varies with what's going on that day, as well as what's on the menu. If there's a big telecast announcement or meeting, the cafeteria is nearly deserted. Usually, though, there are a couple dozen folks who rush in and pile up on some line that's hit the gong on what people want.

Today, the Gong appears to have gone to Chef Kellie, for ultimate comfort-food chicken pot pie. There were a dozen folks in her line, at least, in the first heartbeat after the door opened. Apple folks appear to crave chicken pot pie, a phenomenon I have noted before.

My goal today was not chicken pot pie.

My eye was for Chef Patricia's Florida Tile Fish over sun-dried tomato polenta with haricots vert. My pan sauteed filets (two of them!) were marvelous, with a crispy, very thin, lightly golden crust over the dense, flaky white fish. Just a gentle poke-and-twist would drop another perfect morsel onto my fork. Chef Patricia's garlic Parmigiano cream sauce was to die for: smooth, velvety smooth, lush, creamy (of course!) and with a garlic level appropriate both for delicate fish and as a complement to Parmesan; the light blend of sage, basil and thyme added a nice nose to the dish. My haricots vert were lightly sauteed in butter (seems to have had some garlic, too!) as my plate was being prepared, and retained that all-important crispness that was a testimony to freshness; I have grown quite fond of what Susette and I call "magic beans", as they are quite flavorful compared to your run-of-the-mill green beans. I thought I'd be lukewarm about the polenta, but no... there were nice chunks of sun-dried tomatoes throughout it, and the polenta itself had evidently been infused with some pureed tomato, as all was suffused with a rich, warm color and flavor. Smooth, augmented with cheese, and rich: I ate every bite.



20121113-17

23:26

Tom

"Nation Horrified to Learn about War in Afghanistan While Reading Up on Petraeus Sex Scandal"

"Nation Horrified to Learn about War in Afghanistan While Reading Up on Petraeus Sex Scandal" by *The Onion*

Nov. 13, 2012, (<http://www.theonion.com/articles/nation-horrified-to-learn-about-war-in-afghanistan,30367/?ref=auto>)



(WASHINGTON) As they scoured the Internet for more juicy details about former CIA director David Petraeus' affair with biographer Paula Broadwell, Americans were reportedly horrified today upon learning that a protracted, bloody war involving U.S. forces is currently raging in the nation of Afghanistan. "Oh my God, this is terrible," Allie Lipscomb, 29, said after accidentally stumbling on an article about the war while she tried to ascertain details about what specific sexual acts Petraeus and Broadwell might have engaged in. "According to this, 2,000 American troops have died, 18,000 have been wounded, and more than 20,000 civilians have been killed. Jesus Christ. And it's been happening for, like, 11 years." Sources confirmed that after reading a few paragraphs about the brutal war, the nation quickly became distracted by a headline about Elmo puppeteer Kevin Clash's alleged sexual abuse of a 16-year-old boy



<http://lucianahervoso.blogspot.com/>



—Friends of the Middle,  
Steven W. Baker (SteveB), Editor/Moderator

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Your email address will always be kept strictly confidential.

Feel free to forward this Newsletter to anyone you know on the Right or the Left, though your motives might be different in each case. Regardless, PASS IT ON! Help keep your friends and acquaintances informed and thinking.

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