

## WHO MANAGES THE ECONOMY BETTER REPUBLICANS OR DEMOCRATS?

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A businessman who voted for Bush four years ago, and Clinton in '96, told me, "John Kerry sounds really impressive and I have to admit that the goals of his social programs particularly health care, education and the environment seem good. But I'm worried the Democrats can't manage the economy as well and they'll get into my wallet."

Many voters agree, and a recent poll shows that the majority cites the economy as their top concern. For years the pollsters have found that most voters believe the Republicans do better with the economy. I've heard the businessman's basic point that the Democrats have better social policies but the Republicans are better managers of the economy more often than I've heard Judy Garland sing "Over the Rainbow." But is it true?

Let's look to the record. Here's the Economic Sweepstakes Quiz. The rules are simple. Guess which president since World War II did best on these eight most generally accepted measures of good management of the nation's economy. You can choose among six Republicans: Eisenhower, Nixon, Ford, Reagan, Bushes I and II; and five Democrats: Truman, Kennedy, Johnson, Carter, and Clinton. (No peeking.)

Which president produced:

1. The highest growth in the gross domestic product?
2. The highest growth in jobs?
3. The biggest increase in personal disposable income after taxes?
4. The highest growth in industrial production?
5. The highest growth in hourly wages?
6. The lowest Misery Index (inflation plus unemployment)?
7. The lowest inflation?
8. The largest reduction in the deficit?

The answers are: 1. Harry Truman, 2. Bill Clinton, 3. Lyndon Johnson, 4. John F. Kennedy, 5. Johnson, 6. Truman, 7. Truman, 8. Clinton.

In the Economic Sweepstakes, Democratic presidents trounce Republicans eight times out of eight! If this isn't enough to destroy the myth that the economy has performed better under Republicans, the stock market has also done better under the Democrats. The Dow Jones Industrial Average during the twentieth century has risen 7.3 percent on average per year under Republican presidents. Under Democrats, it rose 10.3 percent which means investors gained a whopping 41 percent more. And the stock market declined 4 percent, on average, during George W's first three years. Moreover, since WWII, Democratic presidents have increased the national debt by an average of 3.7% per year and Republican presidents have increased it an average of 9.1%. During the same time period, Democratic presidents produced, on average, an unemployment rate of 4.8%; Republicans, 6.3%.

That's the historical record. What about present policies? The Clinton-Gore administration presided over the longest peacetime economic expansion in our history. The national debt was reduced dramatically, the industrial sector boomed, wages grew, and more Americans found jobs.

How has the Bush-Cheney team fared? In the past three years, we have experienced the weakest job creation cycle since the Great Depression, record household debt, a record bankruptcy rate, and a substantial increase in poverty. We have gone from being the nation

with the biggest budget surplus in history to becoming the nation with the largest deficit in history.

Bush believes the free market will solve America's economic problems. Kerry, on the other hand, maintains that government has the responsibility to keep our economy on the right track. Kerry says he will work toward reducing the debt and deficit. He pledges to help the middle class and the working poor by maintaining benefit levels and eligibility for the Earned Income Tax Credit. He will hold the line on our tax progressivity and fairness, by rolling back the Bush tax giveaways to taxpayers earning over \$200,000 annually. And Kerry wants to target health care, education, affordable housing, and the environment with critical investments.

Bush wants to privatize Social Security and Medicare, although he gets dangerously vague about this at election time. To finance government spending in the wake of his tax cuts for the wealthy, Bush is borrowing heavily from the Social Security Trust Fund. At the same time, the United States owes huge amounts to foreign investors, and the federal debt has soared 29% since Bush took office, to reach \$7.3 trillion. During Bush's administration, corporate profits have gone up 57.5%, while workers' wages and benefits have increased a miniscule 1.57%. That shows just who is the object of Bush's compassion.

The Bush administration, supported by Republicans on Capitol Hill, pushed through a sweeping tax cut in 2001, under which the wealthiest one percent of Americans reaped 43 percent of the gain. In less than a year and a half, the federal government's 10-year projected budget surplus of \$1.6 trillion has vanished. In 2000, we had a surplus of \$236 billion. In 2003, we had a deficit of \$375 billion. This dramatic reversal is the direct consequence of Bush's tax cuts.

Now, the Bush administration's answer for the nation's economic woes is two more tax cuts for the wealthy individuals and corporations who, by no coincidence, contribute to the Bush campaign. It's "trickle-down" economics with a vengeance. In denying the tax cut's role in the nation's current problems, and placing the blame instead on 9/11 and corporate malfeasance, the administration is trying to cook the books not unlike Enron, WorldCom, and Arthur Andersen.

Back during the 2000 campaign, Bush and Cheney took pains to brag about their CEO credentials. We've since learned exactly what kind of real world skills the pair picked up: fudging, manipulating, wheedling government contracts and favors, and generally working the system for all it's worth. Bush and Cheney have been schooled in a corporate culture that believes success is achieved by exploiting the government, the economy, and the environment. They have brought that same culture to the White House. To them the national treasury is a personal piggy bank they use to quietly reward the Haliburtons, Enrons, and the same CEOs they have so loudly attacked in the media.

In 2004 we need genuine leadership in Washington. We don't need more quick-fix schemes or lopsided tax cuts. With four more years of George W., we could wake up one morning on the economic endangered nations list. Deficits and debt could strangle our economy for the next generation; and all but the wealthy will have a tough time making ends meet. John Kerry has demonstrated a willingness to confront these painful realities. On overall economic policy, he offers qualities indispensable to genuine leadership for America: patience, fairness, candor, and vision. We need an administration that understands and believes in coherent, comprehensive and equitable policies that promote sustainable economic growth and, on that count, Democrats have the winning record.

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