

# **GALVANIZING THE 2016 AMERICAN ELECTORATE**

Baker County, Oregon, Democratic Central Committee

June, 2015

## **SUMMARY**

Baker County Democrats urge all state and federal political candidates to stop tinkering at the margins and promote simple, concrete, and courageous solutions to the defining issues of our time:

- Unsustainable, extreme inequality of wealth, stagnant wages, and poverty that have been growing for the past 35 years, and
- The overarching threat of climate change and global warming.

Our proposal, which we approved at our meeting on February 19, 2015, includes:

- Raising taxes substantially on extreme wealth to pay for enhanced federal wage supplements for the working class, and to pay for needed investments in our infrastructure, including education (attached Chart 2), and
- Instituting a federal tax on carbon emissions.

Our justification rests on the following:

- The top one percent now receive \$1 trillion more income each year than they would receive under the income distribution that existed in 1979, and they pay historically low taxes. The bottom 80 percent receive \$1 trillion less per year, or \$11,000 per family (attached Chart 1),
- Not nearly enough good-paying jobs are being created, because of off-shoring and the increasing impact of automation and robotics, and
- Global warming will not be moderated unless fossil fuels are priced to reflect their true cost to the environment and our way of life.

The Roosevelts taught us, “We all do well, when we all do well.” We are deeply concerned that if we do not clearly, boldly, and repeatedly promote meaningful, win-win solutions to today’s defining issues, then non-aligned, poorly informed, and disaffected citizens will again fail to vote in 2016. Without unified and empowered citizenry and leadership, our unsustainable economic and environmental dilemmas will grow much worse.

Visit us on the web at [BakerCountyDemocrats.org](http://BakerCountyDemocrats.org) and on Facebook at Baker County Democrats. Contact us at [baker.democrats@gmail.com](mailto:baker.democrats@gmail.com).

## **BACKGROUND AND JUSTIFICATION**

Baker County Democrats urge the development and energetic and persistent promotion of widely beneficial and clear-sighted solutions to the growing national and international problems of poverty resulting from extreme inequality of wealth and the overarching threat from global climate change. We believe that the depth and magnitude of the required response equals the heritage of Abraham Lincoln and the Roosevelts.

We all do well, when we all do well. We believe we must define and relentlessly promote real answers that benefit *all* Americans and *all* world citizens, unfazed and undiluted by political ideology or by unwarranted opposition of wealthy, unelected campaign donors.

The bottom 80 percent of Americans now earn about \$1 trillion less per year than they would receive under the income distribution that existed in 1979. Over the past 35 years, globalization and computerized automation have changed the rules of the economic game for working families, leaving us to compete among ourselves for the remaining low-wage jobs. The top one percent, who receive that extra \$1 trillion per year and who are taxed at historically low rates, have taken unbridled advantage of the low-wage windfall long enough. It is time to level the playing field, utilizing the heretofore virtually unspoken and denied elephant in our living room: the need to significantly increase taxes on the wealthy few. (Please see attached Charts 1 and 2.)

Similarly, the time has come and gone to halt and reverse the planetary damage done by the extraction and burning of fossil fuels unrestrained by pricing that would reflect their true environmental cost.

We believe that an adequate solution will, at minimum, provide federal wage supplements for livable family incomes, paid for by increased revenue from taxation on wealth. We cannot expect nearly enough family-wage jobs to be created in the foreseeable future, given expanding technology (computerization and robotics) and globalization (off-shoring and out-sourcing), which have taken good jobs away and left us competing for fewer, low-wage jobs. We urge an open national dialogue and debate which emphasizes the legitimacy and necessity of major tax increases, which would lead to an expanding economy, benefitting everyone.

We urge, as well, support for a carbon tax system to avert climate catastrophe. Such a tax system could share the transfer mechanism for supplementing livable family incomes. More importantly, it could induce reduction of our CO<sub>2</sub> emissions by 10 percent per year starting in 2017, and support worldwide investment in energy conservation and in sustainable energy, leading to replacement of all fossil fuel emissions by renewable energy by 2030.

This is a make-or-break moment. If we do not clearly, boldly, and repeatedly promote win-win solutions to these vital issues, non-aligned, poorly informed, and apathetic citizens will again fail to vote in 2016. Without unified and empowered citizenry and leadership, our unsustainable economic and environmental dilemmas will grow much worse.

But, if we prevail, increased consumption from livable family incomes will multiply business activity and promote economic security, thus benefitting everyone in the long run. Preservation of a livable global climate will benefit all humanity. We all do well, when we all do well.

## IDEALIZED VISION

The following vision results from the inspiration and information provided by former Labor Secretary **Prof. Robert Reich**, based on his years of researching, teaching, writing (*Aftershock: The Next Economy and America's Future*) and deeply caring about economic inequality in the United States, unconstrained by fear of proposing increased taxation on wealth:

Thanks to a greatly enhanced **Earned Income Tax Credit** (paid for by **sharply increased taxes on the very wealthy and by a carbon tax**) and a system of job sharing, most of us are able to benefit from the increasing productivity gains from robotics, computer automation, and off-shoring, and from reduced harm from global warming. We are relieved of "TGIF" low-paying, tedious, full-time and part-time jobs and "TaskRabbit" multi-jobs, and are able to fully explore our human potential in the arts, science, spirituality, etc, free from financial fear. We are also better able to cope with less-harmful effects of global warming resulting from timely, international action.

**This is not a pie-in-the-sky proposal. It was actually implemented by the Clinton Administration in 1993, raising 4.3 million people out of poverty by 1998. A \$21 billion expansion was proposed in 2000, but was not adopted by a Republican Congress.**  
[https://clinton4.nara.gov/WH/New/html/20000112\\_2.html](https://clinton4.nara.gov/WH/New/html/20000112_2.html)

## THE REAL-WORLD ISSUES AND A WARNING

According to a CBS News report, "Three-quarters of Americans said they're finding it difficult to both save for retirement and handle their day-to-day expenses." Many of the Millennial Generation are too saddled with student loan debt and low-wage jobs (and lack of jobs) to buy houses, cars, and other big-ticket items and to save for retirement.

Prof. Robert Reich, November 5, 2014, posting on Facebook (and providing a link to his Bill Moyers' interview introducing the outstanding documentary movie "Inequality for All"):

Widening inequality of income, wealth, and power is the largest economic and political issue of our time. Republicans obviously don't want to talk about it. But Democrats failed to make it an issue in the midterms. **If Democrats don't make it their central issue in the next two years running up to the 2016 election and gain a mandate for action thereafter, they will relinquish any reason for having a Democratic Party.**

## Support for the BCDCC Proposal

*The Nation* magazine now reports that **there is "...a huge debate inside the Democratic Party about how forcefully to embrace economic populism and push redistributive policies."**  
**Warren Buffett in an interview on the PBS NewsHour (May 9th):**

"There is **an American nightmare** alongside the American Dream, where the bottom 20

percent of households have an income of \$21,000 or less. America can do better than that. We can raise the minimum wage, but **I think the Earned Income Tax Credit is by far the most useful tool to really minimize poverty in this country and to reward work.** It does not interfere with the market system. With that supplemental income, people can feel good about what they do in life, and that means the dignity of a reasonable job. The aggregate worth of the Forbes 400 has gone up by 2,300 percent since 1982, while the income of the bottom twenty percent has increased one percent per year. I would like to hear what any candidate feels about that and what they would do about it. **It's got to be a big issue."**

<http://www.pbs.org/newshour/updates/buffett-people-living-poverty-suffer-american-nightmare/>

President Obama's **FY 2015 budget** (March, 2014) proposed **an enhanced and expanded Earned-Income-Tax-Credit (EITC)**, projecting it would benefit an estimated 13.5 million working Americans.

**The Progressive Agenda**, signed by a great number of leading progressives, including Oregon Senator Jeff Merkley, includes an **enhanced EITC, and increased taxes on the wealthy.**  
<http://progressiveagenda.us/agenda>

The **Congressional Progressive Caucus "People's Budget"** for FY 2016 calls for increases in taxes on the wealthy, increases in the Earned Income Tax Credit, and a carbon tax.  
<http://www.commondreams.org/views/2015/03/18/one-sensible-budget-washington>

**Robert Reich** in his 2011 book "Aftershock" calls for an increase in the Earned Income Tax Credit, a carbon tax, and higher marginal tax rates on the wealthy. (Pages 129 - 131).

A May, 2015, Gallup poll finds **that 63 percent of Americans believe that the current distribution of wealth is unfair**, and 52 percent say that the problem of inequality should be solved with "heavy taxes on the rich."

A June, 2015, poll by the NY Times found that **68 percent favored raising taxes on those earning over \$1 million per year:** <http://www.commondreams.org/news/2015/06/04/all-economic-inequality-sucks-say-most-americans>

**Pope Francis has issued a wide-ranging encyclical on climate change and economic justice.** It's a sweeping and majestic document that should be read in its entirety with both mind and heart:  
[http://w2.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco\\_20150524\\_enciclica-laudato-si.html](http://w2.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html)

**The head of the World Bank** has endorsed calls for a carbon tax, **as did Bernie Sanders** in his announcement speech on May 27<sup>th</sup> in Burlington, Vermont. Here is an article by Bernie:  
[http://www.huffingtonpost.com/rep-bernie-sanders/why-we-need-a-carbon-tax\\_b\\_5571408.html](http://www.huffingtonpost.com/rep-bernie-sanders/why-we-need-a-carbon-tax_b_5571408.html)

**Senator Sheldon Whitehouse**, an expert on global warming, has also introduced legislation calling

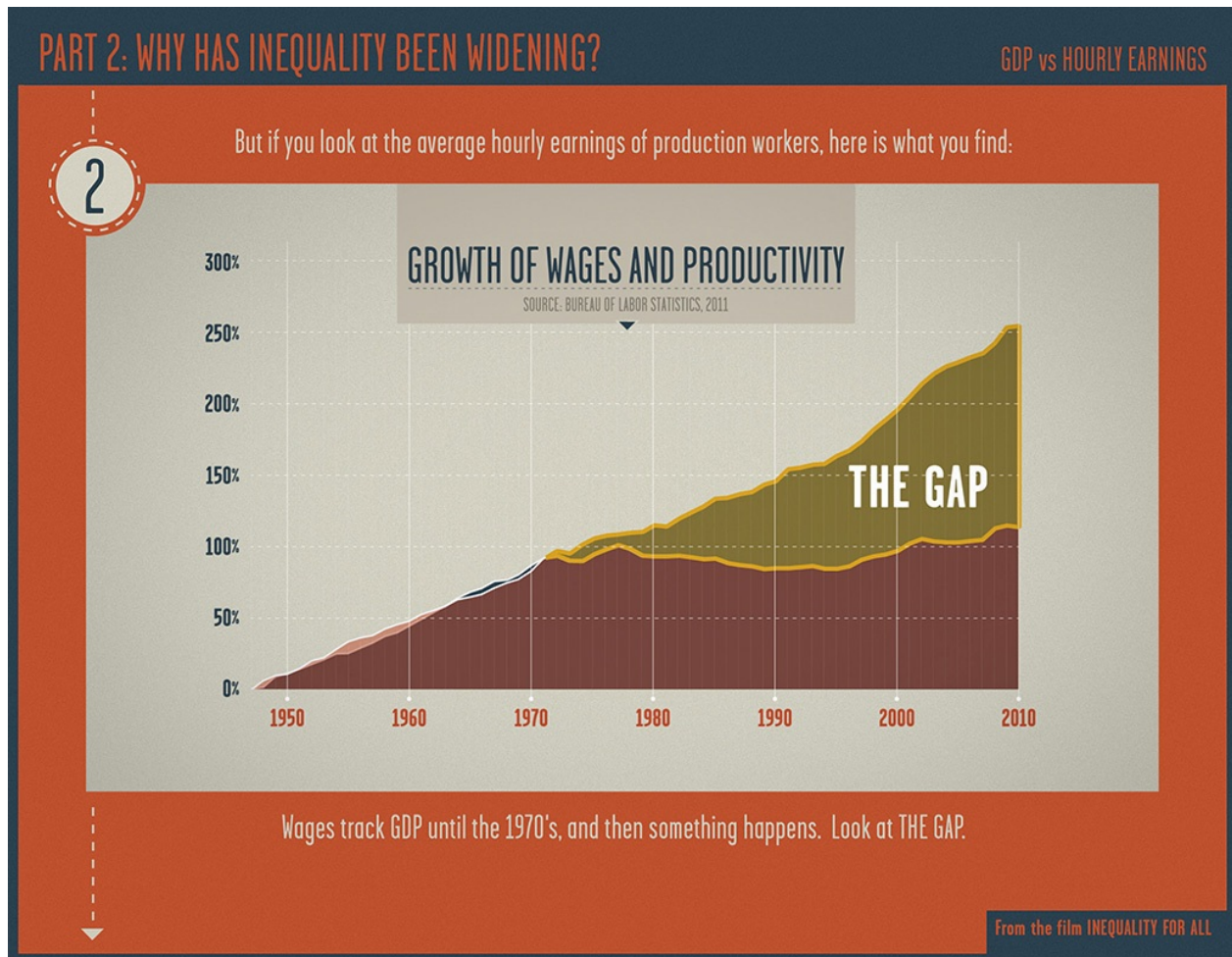
for a carbon tax. This legislation would fight global warming, while generating about \$2 trillion over ten years to be returned to benefit the American people. His inspiring speech is at:  
<https://www.youtube.com/watch?v=VSQsgNcDXjc>

A January, 2015, poll by the New York Times finds that “**An overwhelming majority of the American public, including nearly half of Republicans, support government action to curb global warming...**” Climate-change researcher and author (*This Changes Everything*) **Naomi Klein** sees this moment of low oil prices as a golden opportunity to combine the climate-change movement with the anti-austerity movement.

## CHART 1

This chart, from Robert Reich's movie "Inequality for All," depicts the Gap that has grown between productivity and wages.

This Gap now totals about \$1 trillion per year that goes to the top one percent, due to the structural change in the economy from off-shoring and from computerization and automation..



## CHART 2

This chart, from Robert Reich's movie "Inequality for All," depicts the history of the top marginal tax rate, compared to inequality of wealth.

There was a much higher rate during the prosperous 1950's and 1960's, under Presidents Eisenhower, Kennedy, and Johnson, during which inequality was at a minimum. We had free tuition at major public universities, and we built the interstate highway system.

Tax rates on the wealthy could be again raised substantially to re-capture the extra \$1 trillion now flowing to the top one percent. This would allow payment of the proposed enhanced Earned Income Tax Credit, restore tuition-free college education, and so much more.

Everyone, including the extremely wealthy, would benefit..

