

What the Midterms Will Not Achieve

Michael Sean Winters | Nov. 1, 2010 Distinctly Catholic

The votes have not yet been tallied but already the spin has begun to explain their significance. Here are a few things that will not be decided on Tuesday.

Long-term v. Short-term economics. The deficit is a long-term problem, mostly involving entitlement spending. The most necessary thing to solve the deficit problem is to get the economy humming again. That was, in part, the goal of the stimulus package, although its primary goal was to stop the bleeding, a goal that was achieved even though enough blood had already flowed out to leave the economy in really bad shape. Efforts to cut back on government spending have the potential of crippling the economic recovery and thus making the deficit problem worse.

Tax cuts can be stimulative, but only if there is a significant drop in marginal rates as in the Reagan years and if the cuts are off-set by cuts in spending. Keeping the Bush tax cuts for the super-rich will have little stimulative effect which is why they are not worth keeping. The Laffer Curve, mentioned the other day by Sarah Palin to justify extending the Bush cuts, is laughable.

The British government has embarked on an austerity program that risks dampening at best, and undercutting at worst, renewed economic growth. It is a big gamble and while they get points for trying, the politicians are not the ones who will pay the immediate price if their program fails. The working poor will be the ones to pay if Cameron's program fails. Besides, drastic spending cuts are not needed to solve long-term deficit issues. Much more effective is the French decision to raise the retirement age. You need to bend the curves on spending for the long-term, you do not need to amputate today.

Politics v. Economics. The problem with the stimulus was not economic, it was political. Economists sought ways to stimulate the economy, but politicians need to have a program that is easily explicable. In hindsight, the Obama Administration should have been less concerned with getting funding out the door and more concerned with enacting a focused spending program on infrastructure: highways, rail lines, internet access in rural areas and schools. Then it would have been easier to explain that the stimulus was aimed at both jump starting the economy now and, just as important, laying the groundwork for future growth in the private sector, growth that relies on good roads and rail, an educated work force and access to markets.

The GOP has been more effective in translating their economic agenda into a political program. Who doesn't like the idea of lower taxes? It is like offering candy to trick-or-treaters last night: Anybody want some candy? And their calls for spending cuts will be no more likely to find popular support than did Reagan's. (People forget that Reagan passed his tax cuts but not his spending cuts.) America has neglected its infrastructure long enough. America has over-committed its military abroad. America is falling behind the rest of the world in any one of a number of educational measures.

Foreign Affairs. There has been almost no discussion of foreign affairs in the current campaign, beyond the Muslim-baiting seen on the extreme right wing. The election results will offer Congress and the President no guidance as to what the American people are willing to pay for success in Afghanistan, nor any clarity about

what 'success' means in Afghanistan.

Elections are meant to clarify but as often as not, they leave us with a muddle. What may be different this year is the response to that muddle. In previous years, when there was a divided government, this could result in the kind of moderation the American people seek. As Jon Stewart put it at his rally this weekend, while showing pictures of cars entering the Lincoln Tunnel, 'You go, then I go.' But, the GOP has been radicalized by the Tea Party and it is not clear that any of their candidates who end up in the winner's column on Tuesday are coming to Washington to affect compromise. The American people may want action to get the economy going again, but the recipe they appear leaning towards on the eve of the election is a recipe for inaction.

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