

Deciphering Romney's Trickle-Down Newspeak

February 1, 2012 Category: Domestic Politics

Download as PDF

The morning after his Florida primary victory, Willard Mitt Romney stated on CNN: "I'm not concerned about the very poor." Such an admission would be shocking for an aspiring statesman to make if not for three scenarios:

1. Those of us who understand this man already knew this, so weren't at all surprised when he came right out and said it.
2. Those who like Romney because they don't care about the nation's destitute **either**...well, they're perfectly fine with this.
3. Those who like Romney because they've been duped into thinking that he **really does care** will most likely succumb to cognitive dissonance and simply disregard the comment.

So, nobody was surprised after all. Then, Mitt lied—which was, of course, also unsurprising. He insisted that "the rich" were not his "focus"...which is so patently inaccurate as to be somewhat comic. Surely, he doesn't really expect anyone to believe that claim—but, well, hey: he made it anyway. It was what people wanted to hear, he surmised, so he worked it into his talking points.

Fetishes are fascinating things to study. Some people fetishize guns, others fetishize feet. Mitt Romney's fetish is what he calls "the private sector"—his dandy-sounding codeword for unbridled corporate power. To him, profitable business enterprise is the summum bonum of the successful life—a very peculiar thing for a man who claims to follow Jesus of Nazareth.

Mitt Romney made a fortune for himself making money for investors and maximizing profit for his own enterprise. Indeed, that's what he prides himself on being good at. Yet he fails to see that this kind of experience has nothing whatsoever to do with being a good public servant—let alone a noble statesman.

4 of the 10 major companies Bain Capital bought ended up going bankrupt anyway...and those that eventually became profitable were made profitable only for a few insiders...and often did so by cutting American jobs. The few that ended up, later on (after Mitt was out of the picture), growing enough to employ lots of people (like Staples) did so under the tutelage of people other than Mitt.

Working for the public interest had absolutely nothing at all to do with Mitt's business interests. Think about it: Just because Staples is now a successful retailer doesn't mean Romney will make a good public official. Predictably, an out-of-touch plutocrat is under the impression that there is a logical connection between these two things: "Staples now makes oodles of money," he essentially declares, "Therefore I will know what's best for the national economy." The non-sequitor is lost on his target audience.

Mitt doesn't seem to understand that, in many very important ways, the public domain is completely different from the private sector. Maximizing corporate profits is completely different from—and often antithetical to—working for the common good. For Romney to claim that being well-versed in the private sector is a key qualification for being a public servant is rather silly.

~~It's like a man applying to be a fireman touting his credentials as a pyrotechnic expert. Sure, a~~

Original essay at: <https://www.masonscott.org/deciphering-romneys-trickle-down-newspeak>

pyrotechnic expert may have knowledge that would help establish prudent fire safety guidelines... but he won't be so inclined so long as he has a vested interest in maximizing pyrotechnics regardless of the fall-out.

We have learned time after time that the “let the market handle it” approach doesn't work—and often proves disastrous. Even if the “efficient market hypothesis” held any water (which it doesn't), social democracy isn't just about maximizing efficiency and growth. The notorious EMH has been proven flagrantly wrong over and over and over again—yet hidebound Neoliberals like Romney still pretend it's iron-clad. Why? The answer is obvious: fealty to such a hypothesis benefits the super-rich by rationalizing un-checked corporate power. Why do we need regulation, oversight, transparency, or accountability if the EMH exists? And why not just treat government as just another business to be managed like any other business?

But here's the bottom line: A State isn't a business, and shouldn't be treated like one. Why not? A State isn't concerned with making a profit—nor in maximizing revenue—nor in enriching a few insiders. (By contrast, that's exactly what **DEFINES** a good business.) Making a profit, maximizing revenue, enriching a few insiders: Such things are Romney's stock in trade. Naturally, then, corporatists conflate business savvy (concerned largely with micro-economics) with economic policy (concerned largely with macro-economics). Economics at the micro and macro levels are, of course, importantly related, but they are two different disciplines. Fructifying a company (for the benefit of investors) involves entirely different matters than fructifying a national economy (for the benefit of everyone).

The one thing that a business and a State have in common is that—while optimizing efficacy (in carrying out the designated agenda)—the concern is maximizing efficiency. This is the only concern that the two realms share. This goal is accomplished largely by eliminating any wasteful use of resources. But this concerns **MEANS**, not **ENDS**.

Here's the “catch”: One can't assess means without first establishing ***the nature of the ends***. Only a true statesman can do this; businessmen never do—as their ends are, by definition, morally neutral. (The nature of what a business supplies is a moot point with respect to the market it is in.) In other words, good business is based strictly on utility (regardless of what the business IS)...while a public servant must be concerned with the moral nature of what is being done. Markets (and thus businesses) are categorically morally neutral while the point of the State is to concern itself with how society is benefiting from its activities.

Maximizing the efficiency of the processes at hand, then, is the only thing that statesman and businessman have in common. That's where their shared values end. To treat the nation as a corporation, then, is completely inappropriate.

Public goods aren't consumer products and citizens shouldn't be seen as customers. In certain ways, being a savvy businessman should be seen as a **DIS**-qualification for public servant, as the two disciplines are often (not always, but often) at cross-purposes. When Calvin Coolidge (idiotically) declared that “the chief business of the American people is business,” we learned our lesson. Everyone knows what the consequences of **THAT** approach ended up being. Now, over nine decades later, we'd be wise not to fall for the same sales-pitch from a different corporatist.

As Paul Krugman has pointed out: “Making good economic policy isn't at all like maximizing corporate profits. And businessmen—even great businessmen—do not, in general, have any special insights into what it takes to achieve economic recovery.” That Romney doesn't

understand the fundamental difference between running a business and managing an economy reveals his glaring ignorance. (Of course, if we ever need someone to devise a leveraged buyout of America, we'll give you a call, Mitt.)

Romney doesn't seem to understand what being a public servant means, but, shucks, he sure LOVES his resume. To him, having made a fortune for himself is a prime qualification for being a good statesman. This is nothing short of bizarre. For instance, he has said:

"A merit-based, opportunity society gathers and creates a citizenry that pioneers, that invents, that builds and creates. And as these people exert the effort and take the risks inherent in invention and creation, they employ and lift the rest of us, creating prosperity for us all. The rewards they earn do not make the rest of us poorer, they make us better off."

Sounds magnificently wonderful, doesn't it?

Let's break this quote down to its constituent parts:

"merit-based": It has been demonstrated again and again that the U.S. is far from merit-based in who "wins" and who gets left out in the cold. To insinuate that the current economic system is anything remotely resembling "merit-based" is a slap in the face to the working class—the tens of millions of hard-working citizens who have gotten royally screwed by a plutocracy that operates with impunity. Romney is, of course, one of those plutocrats, so—unsurprisingly—he views this as a perfectly splendid thing.

"opportunity society": This candy-coated euphemism requires ignoring the massive barriers to entry and substantial structural inequalities that currently exist in the U.S. Yes, Mitt: It is an "opportunity society" for the privileged few with access to power, like you. But for the other 90% of the population (i.e. the part you don't seem to care much about), it is a very different story. There has been significant socio-economic stratification in the U.S. And "market solutions" will not solve this problem. Heck, it's the market that CREATED that problem in the first place.

As Paul Krugman pointed out: "Someone who really wanted equal opportunity would be very concerned about ... inequality... He would support more nutritional aid for low-income mothers-to-be and young children. [Mitt doesn't.] He would try to improve the quality of public schools. [Mitt refuses.] He would support aid to low-income college students. [Mitt won't.] And he would support a universal health care system." As we all know, Mitt is now fighting tooth and nail to PREVENT universal healthcare for the country.

"Opportunity", Mitt? Really?

"these people" vis a vis "the rest of us": "These people" is a euphemism for the super-rich, who—we're expected to believe—are rich because they make the "most effort", as Mitt likes to say. The super-rich, he expects us all to believe, are the one's responsible for "invention and creation". They are the "job creators"; the "producers"; the "hardest workers"; the "most talented". Anyone who's been paying attention knows that this is a perverse myth.

The other myth, now conclusively refuted, is that it is the super-rich who “lift” everyone else up. Is Mitt serious? This is classic trickle-down humbug. It is not the super-rich who “create prosperity for all”; it is the super-rich who, we’ve seen, create prosperity exclusively for the super-rich...even as everyone else is left to stagnate. “You’ll be better off if you’re left to fend for yourselves,” says the plutocrat to the rabble.

One wonders if Mitt has been living in a cave for the past three decades, and simply isn’t aware of what things have been like for the rest of us: the rank and file.

The “rewards” that the super-rich “earn”, Mitt insists, make us all “better off”. Really? We’re expected to believe that the economy does well for the rank and file because of... the rich people? Surely, he can’t be serious. Alas, he’s very serious; that’s the scary thing. As far as Mitt is concerned, we should all be THANKING Goldman Sachs.

So we should ask: Do people actually believe this hogwash? Mitt sure hopes they will. He goes on to completely mischaracterize what the entire point is of public infrastructure and public services. Consider the next quote, where he caricatures all measures to effect social justice...as a BAD thing:

“In an *entitlement society*, everyone receives the same or similar rewards, regardless of education, effort and willingness to take risk. That which is earned by some is redistributed to the others.”

What, in heaven’s name, is he talking about? In what Mitt castigates as an “entitlement society” (which, according to his contorted logic, is the antithesis of an “opportunity society”), everyone receives the same rewards. In other words, Progressives are striving to make OUTCOMES, not opportunity, the same for everyone. One wonders: What fictional vision is he referring to?

Mitt is referring to the provision of basic infrastructure and vital social services—like universal access to basic healthcare and quality education (funded via an eminently fair, progressive tax algorithm). However, instead of calling this **what it actually is** (i.e. social justice), Mr. Romney opts to define it as something utterly nefarious: Taking what is earned by some (the most affluent, who are synonymous with the most worthy) and dolling it out (as hand-outs) to others (the unworthy rank and file). Get it?

Mitt has just defined the initial blue-print for Soviet-style communism. Thank you, Mitt.

In other words, Romney describes “the promotion of the general welfare” as, well, *Communism*. He gives us the definition of Communism (as if that were the social justice that Progressives are proposing) in order to scare everyone away from any measure that would “promote the general welfare”. This is a classic straw-man argument.

It requires a staggering level of credulity and ignorance to buy into this vulgar portrayal of social justice. But that is standard operating procedure for Neoliberal ideologues. Mitt then assures us that if the nation pursues Progressive policies, then “everyone...will be poor”. (No kidding; he actually said that.)

REALLY, Mitt? Like in Switzerland and Germany and Scandinavia...and all the other places that use those very policies? The proof is actually plain to see: such policies don’t make everyone poorer; they make everyone happier and healthier. Mitt hopes we ignore these obvious

examples—shining examples that prove his claims to be hogwash.

Meanwhile, the U.S. is suffering—even as it has THE LOWEST TAX-RATES IN 50 YEARS. Read that again, just to make sure it sinks in. Anyone who is honest can't abide the accusation that Obama just wants to levy more taxes everyone...or that tax-breaks for Big Business help the economy, or that the biggest tax-cuts for the super-rich in any way HELP the working class. It's patently un-true. The past 35 years have conclusively PROVED that such claims are untrue.

Heck, Obama even CONTINUED the (utterly pointless) Bush tax-cuts for the super-rich. All for naught, of course. Now, the president simply wants to bring taxes for the super-rich back to what they already are for the middle class (a.k.a. the Buffet rule). Any sane person would agree: this is just common sense.

A BRIEF REVIEW:

Mitt says a lot of things about his vaunted “free enterprise”—as if it were the holy grail of societal weal. He says that free enterprise always “rewards hard work”. No, it doesn't. He says that enacting robust ROTA (regulation, oversight, transparency, and accountability) for the financial sector will inhibit free enterprise. No, it won't. He says that progressive taxation will discourage entrepreneurship. Nope. It never has. We KNOW it doesn't discourage entrepreneurship, because we've already tried it—and when we did, it corresponded with the most prosperous era of our economy.

Mitt says that free enterprise “brings prosperity to all”. Tell that to the tens of millions of hard-working Americans struggling day-in and day-out to keep their heads above water...who don't have access to basic healthcare...who don't have access to quality education...who are going bankrupt due to exorbitant medical bills...who work two jobs just to put food on the table...who spend every day worrying about how to pay the rent or mortgage next month.

Meanwhile, a very large portion of the super-rich did NOT acquire their money from “hard work”...or from talent...or from intelligence...or from doing anything whatsoever to contribute to society in a noble way. Therefore, when people like Mitt Romney caricature the nation's most affluent as somehow being icons of “success” and or paragons of “hard work” and “talent”, they are peddling a grossly distorted—even deranged—depiction of affluence in America.

That spectacular “free enterprise” you brag about, Mitt, hasn't yielded fruit for everyone the way that it's yielded fruit for you. Not everyone is privileged like you are, Mitt—and that includes people who are much harder working, much smarter, and much more educated than you are. So don't tell tens of millions of working class people how wonderful the current system is...because it supposedly “brings prosperity to all”. It doesn't. THAT is the problem. THAT is why we're looking to revamp it.

We should start by bringing progressive taxation back in line with what it was during America's halcyon days—those of Eisenhower. We should start by NOT using the disastrous Calvin Coolidge approach (letting corporate interests trump the public interest, as if the former entailed the latter), and—instead—actually stimulate the economy from the demand side (by investing in public works). But no. Not if Mitt has his say. If we stimulate the economy from the demand side by helping out the rank and file, then we'll turn into some socialist tyranny. Mitt

would rather us continue the right-wing policies that caused all the current economic problems because—hey! Look at him! They worked out well for guys like Mitt Romney, so what's everyone complaining about?

Here's Salon's Joan Walsh: "There's no fair way to measure how many jobs Romney's [actions] created or destroyed [during his private equity years]. But job creation was never the point of Bain Capital. Making money for its partners was. If a company lost jobs, even if it went bankrupt, Romney and his colleagues still earned millions in fees, which were taxed at the 15% rate [i.e. at half the rate a blue collar worker's wages are taxed]. So Romney mostly invested other people's money, but got taxed the same as if he'd invested his own money. How's that for fairness?"

Because Romney's income came largely from "carried interest", capital gains, and dividends, he paid an effective tax rate of only 13.9%: lower than the rate paid by cops, teachers, firefighters, and Warren Buffett's secretary...and far lower than the 35% marginal rate that's supposed to apply to people who make more than \$350,000 a year. But here's the kicker: One is only taxed at that rate if one WORKS for one's money. If one accumulates it as UN-earned income, then one gets a massive tax-break!

Is THIS the incentive structure a healthy economy should have?

Think of it this way: If your money is only employed to work for your own enrichment, you pay only 15% (or even less, if you're Mitt Romney). Yet if you labor every day for your paycheck (i.e. do productive work yourself, or personally provide a palpable service to your community), you are taxed as much as DOUBLE that amount. Sound fair? Think about it.

That is an important point to raise. This is not about "envy", as Mitt seems to think; it's basic math. Keep in mind: Not only is Romney part of the richest 1%. Not only is he part of the richest TENTH OF that richest 1%. He is one of the wealthiest .06% of all Americans. That is to say, he's even wealthier than 94% OF that richest 1%. Let that sink in for a moment. So when Romney earns many millions of dollars in dividends EACH YEAR from his Goldman Sachs investments alone, while he essentially does nothing of merit, shall we conclude that he's in touch with the working class?

Mitt Romney makes more in one day than the average American makes in an entire year...all while paying a lower rate (less than 14%) than millions of middle class Americans pay on their EARNED income. Why is this? Because of the regressive tax policies Mitt vociferously advocates. The conflicts of interest couldn't be more glaring. The issue here isn't jealousy, Mitt. It's economic justice.

Most of us have perfectly legitimate questions about the way Romney and those like him have accumulated their tremendous fortunes, and the way that certain people—like Romney—have (obviously) rigged the tax system so that they can keep far more of their income than the rest of us do...even if THEY aren't creating anything while the rank and file labor every day to actually produce things.

Keep in mind: Mitt received \$43 million over the last two years...even though—as he himself points out—he didn't have an actual job. In fact, he hasn't actually CREATED anything for many years now (and—arguably—has never produced anything of note a single day in his life). A hard-working public school teacher contributes more to our society on a typical day than

Mitt has in the past decade—winter Olympics in Salt Lake City or not.

“I’m not concerned about the very poor,” you say? Why not, Mitt? Who handles most of Mitt’s personal money? Goldman Sachs. Who partnered with Bain Capital? Goldman Sachs. Who wants to repeal all of the crucial regulations on investment banking? Goldman Sachs. Romney’s largest campaign contributor? Goldman Sachs. You do the math.