

DAPAC DISPATCH

Democratic Advancement Political Action Committee

Grassroots Activism for Progressive Democrats
15600 NE 8th St, B1-931
Bellevue, WA 98008

Web: dapac.org

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Phone: 206-382-0222
Fax: 206-787-9045

In Pennsylvania,

The Koch Brothers are Back, So is DAPAC

The anti-Koch brother momentum in Pennsylvania is currently with DAPAC. To help sustain this momentum, a large contribution has been made to DAPAC with hopes other Dapacrats will join with more contributions.

The Koch brothers lost the first round in Pennsylvania when DAPAC Democrat Tom Wolf defeated the Koch brother candidate, Governor Tom Corbett.

Contributions are needed to counter the American Future Fund, a super PAC funded by the Koch brothers. This shadowy group, run by former Romney staff members, uses the term “pocket book issues” as a Trojan horse for an apparent goal to transfer wealth from working families to the rich. The PAC wants to cut pensions for public workers and to eliminate union dues.

So the Pennsylvania battle lines are drawn: Big Republican and Koch Brother Bucks vs. DAPAC .

DAPAC hopes to bring about a 2015 voter turnout that will enable Pennsylvania to play a large part in the effort to secure Democratic control of Congress. Why 2015? In 2015 three state Supreme Court justices will be elected. And Democratic turnout for this type of election has been low. With sufficient funds to raise Democratic turnout, it may be possible to elect three Democratic justices and

thereby shift the balance of power on the Court to the Democrats.

The Democratic majority can then appoint the tie-breaking member of the commission drawing the state legislative district map. The state legislature, in turn, can draw the congressional district map for Pennsylvania. With the map redrawn to ensure fair representation for Democratic voters, Pennsylvania will hopefully become a Democratic state. This will help Democrats to regain control of Congress.

In Office

Newly inaugurated **Pennsylvania Governor Tom Wolf** is wasting no time. In the first few weeks of office, he has begun implementing a moratorium on the death penalty in Pennsylvania. He has also canceled the wasteful and ineffective Medicaid “expansion” that his predecessor Tom Corbett planned. Instead, Pennsylvania will soon see the full Medicaid expansion available via the Affordable Care Act. To top it off, he has banned gas drilling in state parks.

Maryland Congressman Chris Van Hollen, who is ranking minority member on the House Budget Committee, has proposed an audacious plan for reducing inequality. In his plan, most Americans – specifically, those earning up to \$100 thousand a year, would get a \$1000 tax credit. In addition, anyone who saves \$500 of that credit would get a \$250 bonus. Those tax credits would be offset by a 0.1% tax on Wall Street trades.

US Senate Race in Pennsylvania

Republican Pennsylvania Senator Pat Toomey is on the ropes. Public Policy Polling has just released a new poll that shows Toomey at a 28% approval rating. Former Congressman Joe Sestak, who we endorsed against Toomey in 2010, very narrowly lost that year. He is already preparing for a rematch, and we've already endorsed him.

Dear Fed: Don't Raise Rates Yet

Many, if not most, people believe that the President holds most of the blame for the state of the economy. We have stated before that Congress holds more power than you might think over the economy as well as other matters. But the truth is that most of the time, the Federal Reserve – “the Fed” – is in the driver's seat.

The reason why is because of what you might call the “wholesale” interest rate. This is the rate of interest that banks charge for lending out their excess reserves overnight, known as the federal funds rate. This rate is set by the Federal Reserve, and it affects everything else in the economy. When the federal funds rate goes down, capital is easier to come by, and businesses are able to expand, hire more employees, and sell more products or services. When the federal funds rate goes up, capital is harder to come by, and businesses must contract, lay off employees, and sell fewer products or services.

Given the choices above – making it easier for business to hire employees, or making it tougher – you might wonder why they ever want to raise rates. The reason is, ultimately, that there is a limited supply of employees. If the supply of people willing and able to work is exhausted, wages will rise. Remember that: *if the supply of people willing and able to work is exhausted, wages will rise.*

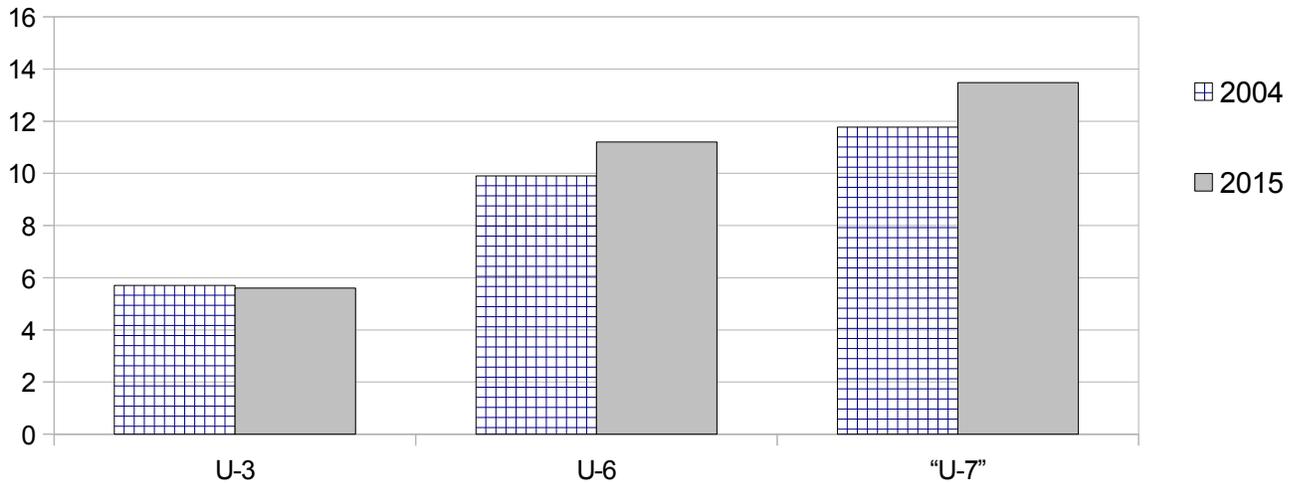
Still, you might wonder why rising wages would be a bad thing. But if wages go high enough – when the rise in wages has exceeded any rise in productivity – there is a point where businesses have to raise their prices to survive. When every business is raising their price, the limited supply of employees will demand, and receive, higher wages. Which leads to even higher prices, in a vicious circle. This is called the “wage-price spiral”, as both prices and wages spiral out of control. To halt this, or even just to avoid it, the Federal Reserve will raise the federal funds rate, to cut inflation.

So to summarize, the Federal Reserve will lower interest rates to raise employment, and raise interest rates to lower inflation. Since shortly after the start of the Great Recession, the Federal Reserve has kept rates at approximately 0% – in theory as low as they can possibly be. But the economy has improved, and lately the headline unemployment rate is at 5.6%, which, due to employment churn, may be near as low as it can get. Right now, experts who closely follow the statements made by the Federal Reserve believe that they are planning on raising rates in June of this year.

But raising rates this year is a mistake. Remember – *if the supply of people willing and able to work is exhausted, wages will rise.* And even after wages rise, inflation does not accelerate until wage gains have surpassed productivity gains. Has that supply really been exhausted?

To answer that question, we look at unemployment rates. Right now, the unemployment rate is at 5.6%, which is almost identical to the rate 6 months before the Federal Reserve last started hiking rates after a recession. However, that rate does not count people who are working part-time that want to work full-time, or people that haven't looked for work in over four weeks because

Unemployment 6 Months Before Interest Rate Hike



they believe there are no jobs available for them. The Bureau of Labor Statistics, which calculates the unemployment rate, actually publishes a number of rates, which include or exclude different classes of people.

The rate that you are probably familiar with, often known as the “headline” unemployment rate, is called U-3. The most expansive rate published by the Bureau of Labor Statistics is U-6, which consists of all people looking for work – making affirmative steps to contact employers – within the past year, as well as all people working part-time who would rather be working full-time.

However, due to the depth of the recession we just went through, it is informative to include everyone who wants a job that doesn't have a job, whether they have looked for work recently or not. After all, most all of us are familiar with what the employment market is like. It has been so bad for so long that we can hardly expect everyone to continue on a fruitless search for work for months or even years. To that end, we have used data from the Bureau of Labor Statistics' employment survey, which is the same source used for computing U-3 and U-6, to compute our own measure, “U-7”. This includes everyone who wants a job now, but doesn't have one. The

Bureau has been collecting this data since 1994, so we can compare it to the last time the Federal Reserve hiked rates after a recession, in 2004.

What we see here is exactly what we might expect. U-3, the unemployment rate you will see talked about in the news, has dropped down almost to normal levels, but U-6 and U-7 are still significantly higher than they were in 2004. This shows there is still considerable slack in the labor market, and we still have a ways to go before we even see big rises in wages – which haven't significantly risen in decades, despite vast improvements in worker productivity in the meantime.

God Save This Honorable Court,

**Lawrence H. Tribe, Random House,
1985**

Reviewed by Tom Wallace Lyons

GOD SAVE THIS HONORABLE COURT provides a much needed clarification of the Senate's role in selection of Supreme Court justices. Clarification is vital because America's future hangs on who sits on the Supreme Court. Given the age of some of the justices, the next presidential election could

determine that future. And that is why selection of Supreme Court justices is a serious DAPAC issue.

Tribe warns that like “the goldfish that does not know that it is wet, we go about our daily lives unaware of the pervasive influence that the Supreme Court’s decisions have on all of us.”

This statement prefigures the campaign slogan against George W. Bush in 2000 which warned, “It’s the Supreme Court stupid!” And Bush got his presidency from five justices on the Supreme Court. Bush was then enabled to fill two vacancies when Chief Justice William H. Rehnquist and Associate Justice Sandra Day O’Connor retired.

Neither justice retired until Bush’s second term. Having cast two of the deciding votes in *Bush v. Gore*, these justices may have thought Bush’s re-election, without their judicial input, constituted an electoral mandate for Bush to nominate conservatives of his choice. And Bush may have attempted to secure that so-called mandate courtesy 911 which enabled him to invade Iraq. Russ Baker writes in *FAMILY OF SECRETS*-

“There were others things that W. told Herskowitz about what makes a successful leader. Prominent among them, the future president of the United States confided, was the benefit of starting a war.”(P. #422.)

Did Bush achieve his “mandate” through the devastation of Iraq?

This sense of mandate was manifest when the Senate debated the confirmation of Judge G. Harold Carswell in 1970. Tribe writes that ‘one member of the Senate Judiciary Committee counseled that the Senate simply had no right to “withhold its advice and consent in the absence of clear evidence that the nominee was not qualified.”’

As he scans two centuries of Supreme Court history, Lawrence Tribe wields a precise scalpel to the myths and misconceptions about the selection and impact of Supreme Court justices.

Judicial candidates are nominated by the president. These candidates can only be confirmed with the advice and consent of the Senate. Despite what some people think, the powers are co-equal.

People may be surprised to know that, “One of the original drafts of the Constitution envisioned the Congress itself actually electing the Justices. And the Constitutional Convention adopted a draft that had the Senate alone choose the members of the Supreme Court.” The President’s power to nominate came as a “compromise between those who desired a stronger President and those who envisioned a weaker one.”

Tribe makes the point that Supreme Court Justices “remain the leaders of an equal and independent third branch of government, one designed more to *check* the executive branch than to do its bidding.” Tribe states, “Almost *one out of every five* nominees to the Court has failed to gain the Senate’s “consent.”

Dapacrat senators should demand an assertive Senate because, as Tribe explains, the President is only one person while the “Senate as a body has one hundred different heads.” Hence, “the Senate is more diverse, more representative, more accountable.” Tribe also makes constructive suggestions about what the Senate should look for in candidates. Tribe explodes the “the myth of the surprised president”, a myth harbored by people who believe independent justices will chart their own agendas irrespective of their President’s wishes. Tribe demonstrates with many examples how presidents have charted America’s judicial future when they chose justices who shared their principles.

One example is Richard Nixon whose nominees voted to compel him to hand over the Watergate tapes. Tribe writes,--- “Far from being an instance of judicial betrayal of the President who appointed them, the votes of three of Richard Nixon’s Justices in the *Watergate Tapes Case* were totally predictable. Chief Justice Warren Burger and Justices Harry Blackmun and Lewis Powell had been picked for their tough stances on “law and order”; Nixon wanted justices who would indulge the prerogatives of prosecutors and police, rather than the rights of criminal defendants.”

Tribe writes about how Nixon appointees became “a five-member majority – all four Nixon Justices and Kennedy appointee Byron White—to overturn a legal tradition that had endured for centuries: the twelve-person jury. In *Johnson v. Louisiana* and *Apodaca v. Oregon* in 1972 these five Justices upheld the constitutionality of criminal convictions by six-person juries and even by non-unanimous juries.”

As regards the evisceration of defendants’ rights, Tribe writes –

“Observing that the “Court increasingly acts as the adjunct” of prosecutors and executives “irrespective of the Constitution’s fundamental guarantees,” Justices Brennan and Marshall concluded a dissenting opinion early in 1985 with the “hope that this day too will soon pass.””

Lucky Nixon. He was able to crawl away from the consequences of his handiwork with a pardon.

There is simply not enough space to cover Tribe’s discussion of the impact of the Nixon court and of the impact that other carefully chosen justices have had upon our way of life. Nor is there space to go into Tribe’s evisceration of the strict constructionist theory of the constitution harbored by

conservative justices (think Antonin Scalia); a theory used to justify a straitjacketed rather than an expansive vision of the rights bequeathed to the American people.

Easily accessible to the lay reader, *GOD SAVE THIS HONORABLE COURT* should grace the shelves of legal scholars. *GOD SAVE THIS HONORABLE COURT* is a legal brief that can justify DAPAC’s demand that our Senate assert its constitutional prerogative to fight for selection of progressive Supreme Court justices.

2016 Democratic Convention

The Democratic National Committee has recently announced that their 2016 convention will be held in Philadelphia. The convention will officially nominate the Democratic candidates for president and vice president. We expect to host a small event concurrent with the convention. Stay tuned.

DAPACRATIC PLEDGE

I am a Dapacrat because I despise

The sellout that’s masked as compromise

To the long disfranchised I pledge my hand

I will fight for equality throughout our land

I will fight for clean air; for a more fair taxation

For women’s rights; for voting rights

Throughout our nation

DAPACRATIC OATH – I pledge to stand firm against the decades of political compromise that has imposed such a terrible cost to economic justice, to the environment and to our democracy.

What DAPAC Does

DAPAC focuses on every facet of electoral politics. We are involved in every aspect of the campaign, with special attention on building a strong grassroots base, and crafting a compelling progressive message. We don't believe in "one-size-fits-all" solutions. We match our advice and guidance to the candidate's district, not the other way around. It all comes down to getting out the vote, and that's where experience matters most.

We target the most promising Congressional districts in the nation, using the most up-to-date electoral, demographic and census data available.

We recruit, train and advise candidates, covering all campaign techniques from fund raising and messaging, to field operations.

We provide contact information on potential donors to our endorsed candidates to help them fund their campaigns.

We provide hands on guidance, helping candidates to craft their message and to hire the most talented staffers.

We don't compromise on our values, and neither will our candidates. If these are your values, please make a donation to DAPAC today.

Who DAPAC Supports:

DAPAC supports progressive Democratic Congressional candidates. That's our mission. That's our passion. We interview dozens of candidates from around the country and talk to them not only about what kind of race they are going to run, but what kind of policies they favor. We screen every candidate to see where they stand on the issues that matter most. **We only endorse progressive candidates.** When you give to DAPAC you know that these are the kinds of men and women you are helping to elect to Congress.

All our candidates:

- are 100% Pro-Choice.
- support stronger GBLT rights.
- support working family and union rights.
- support honest and Democratic markets and businesses.
- support publicly funded universal health care.
- support strong environmental protection.
- protecting Social Security and Medicare.
- oppose the Patriot Act.
- oppose Iraq and Afghanistan wars.
- oppose the Death Penalty.

DAPAC is working to rebuild the Democratic Party from the ground up, to support strong candidates who will give voice to the issues that matter most.

Paid for and authorized by the Democratic Advancement PAC (DAPAC). Contributions will be used in connection with federal elections and they are subject to the limits and prohibitions of the Federal Election Campaign Act. Federal law requires us to report the name, address, occupation, and employer for each individual whose contribution aggregate in excess of \$200 is a calendar year. Corporate and non-permanent resident contributions are prohibited. Contributions are not tax deductible.