

DAPAC DISPATCH

Democratic Advancement Political Action Committee

Grassroots Activism for Progressive Democrats
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Congressional vs. Presidential

At DAPAC we've chosen to focus on electing members of Congress rather than electing the president. The presidency is important, but Congress is in many ways just as powerful as the president. Congress approves all laws, including the budget. The president can only veto laws that Congress has passed. Presidential appointments, including judges, commission and board members, cabinet members and many other executive officials must be approved by the Senate. Basically, the president can't do anything without Congress.

However, in recent years many progressives have focused on the presidency, to the exclusion of Congress. I can understand this, because the president is on TV every day, and everyone in the world knows who he is. Hardly anyone knows who their congressman is.

But if you want to get progressive policy passed, forgetting about Congress is a big mistake. In the past 20 years, Democrats have controlled the presidency for 12 years, but have only controlled Congress for 4 years. Democrats have only had total control of both branches of government for two years out of the past 20. And even during those two years, they allowed Senate Republicans to filibuster the vast majority of Democratic bills and nominations.

So, other people are already worried about the president. We let them take care of the White House, and we worry about Congress and focus our time and money there.

By: Chris Cramer & Tom Cramer

Austere Federal Budget

After the election of 2010, when Republicans took control of the House of Representatives, they

embarked on a war to accomplish two things: 1) prevent tax hikes for the rich and 2) cut federal spending. At this point they can say, as their former president once did: "mission accomplished".

In 2011, Representative Paul Ryan proposed a fantasy budget that would slash federal spending by billions of dollars, cutting everything from national park maintenance to rent vouchers for homeless children. It was an outrageous exercise in selfishness and cruelty. It was doubly so because we have still not recovered from the 2007 recession, and millions of Americans are desperate for a job.

After the budget deal that was approved by President Obama and both houses of Congress last December, we can see that it was no fantasy: Republicans won. The Ryan budget proposed 2014 spending at \$1.039 trillion, and the budget deal that Democrats just agreed to sets 2014 spending billions of dollars lower, at \$1.012 trillion. Republicans got more than they even dreamed they could get back in 2011.

How did it happen? The basic error that Democrats made was to adopt a goal of somehow forcing Republicans to agree to raise taxes on the Republican base, the rich conservatives. The deal that Democrats were aiming for was, a raise in taxes on the rich, combined with spending cuts. This was a big mistake, because as it turned out, Republicans would never agree to it.

But it was also a mistake because in a time of massive unemployment, the likes of which we haven't seen since the Great Depression, the prudent policy is to increase the deficit rather than decrease it. Any standard macroeconomic textbook will tell you that we should be cutting taxes and raising spending, but Democrats attempted the opposite.

The way it played out was that in 2011, Democrats agreed to a budget formula whereby massive

spending cuts on the entire budget aside from Social Security and Medicare (known as "sequestration") would automatically start in 2013, unless another agreement was made. The idea was that Republicans would agree to raise taxes because they didn't want to cut defense. However, this turned out to be a miscalculation, as Republicans were basically OK with the defense cuts as long as taxes on the rich didn't go up.

In retrospect, the deal that Democrats should have offered was this: cut taxes on the rich, in return for more aid to the unemployed, aid to people who lost their homes, aid to states to replace their lost tax revenue - anything and everything to get the economy back on track. George W. Bush's disastrous tax cuts for the rich should be reversed, but fixing that is not the most immediate problem right now.

By: Tom Cramer & Chris Cramer

Why We Should Raise the Minimum Wage

The federal minimum wage is now at a very low level in real terms. Currently, it is at \$7.25 per hour. It peaked in 1968, when (in 2013 dollars) it was \$10.72 [1]. Working 40 hours a week at minimum wage, with no holidays or vacations, you would make \$15,121 in a year, before taxes. This is \$3,780 a quarter, \$1,260 a month, or \$290.80 a week. Workers who receive tips, such as waiters, barbers, parking attendants, and nail technicians, have a lower minimum of \$2.13 an hour. Try to imagine the sacrifices you would have to make to survive on that kind of wage. How could even two paychecks at that level provide for the basic needs of food, rent, clothing, and medical expenses of a family. We are talking of basic NEEDS not being met. The truth is that many families can't provide for their basic necessities at these wages.

Beyond the simple reason of ameliorating human suffering, there is the economic case. Conservatives argue that any increase in the minimum wage will also increase unemployment. However, several states and cities have raised their minimum wage above the federal limit, and the effects of unemployment compared to neighbouring jurisdictions are essentially zero [2].

Wages at these extremely low levels are also subsidized by taxes by these workers' eligibility for food stamps, now called SNAP. Yes, the program conservatives have refused to fund at the previously funded level because they feel too many people are too lazy to work for their food. As an example, a recent report estimated that as many as 20% of bank tellers collect food stamps. Yes, those revered institutions that we bailed out with our taxes and whose profits are soaring and where their executives make those record salaries and bonuses, even during their bailout, can't pay their employees a living wage. These workers and others are working very hard for their little earnings while corporate profits soar.

There is no doubt that raising the minimum to some level would increase unemployment, but there is a certain "gap" between that level (let's call it the the disemployment level), and the minimum survivable level (let's call it the starvation level), which exists due to a concept in economics known as monopsony [3]. Monopsony, in the context of the labor market, basically refers to the situation where there are many more people who want jobs than there are jobs available. It definitely describes the situation we have now, the biggest and longest spell of unemployment since the Great Depression.

When you have labor market monopsony, employers are able to lower the wages they pay, down to the starvation level, because employees have no choice. They have no bargaining power because if any individual decides they want more money, the employer can find someone else to do the work. The employer cannot lower the wages below the starvation level, because even if any individual decides to accept such a low wage, they will starve and die. The labor pool will shrink to the point where monopsony no longer exists.

By contrast, if the minimum wage is raised, the employers pay more money out, eating into their profit margin. If the minimum wage is raised above the disemployment level, the employer can no longer make a profit, and will hire fewer people. The job pool will shrink to the point where profits can still be made. If we raise the minimum wage above the starvation level, but below the disemployment level, all we are doing is helping

ordinary working people share in the profits they are helping to produce.

The disemployment level is almost certainly higher than anything we've seen in the United States. The minimum wage has been falling in real terms for decades, and unemployment is still extremely high. Recently, we are starting to see people recognize this and are acting to combat the low minimum wage. Across the country fast food workers have held walkouts to protest the non livable wage. Just this last November Seatac, WA (a suburb of Seattle) passed a citizen vote to raise the minimum wage to \$15.00 an hour. Activists in Seattle are currently working for a \$15 minimum wage within the city. (See their website at <http://15now.org>). The new mayor is already supporting the new minimum for city employees. More and more demonstrations are taking place all over the country, as I'm sure you have noticed. If you are aware of any other organizations in your areas, please let us know of them.

1. In 1968 dollars it was \$1.60. See inflation calculator: http://www.bls.gov/data/inflation_calculator.htm
2. Dube, Andrajit, T. William Lester and Michael Reich. "Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties." Review of Economics and Statistics 92.4 (Nov. 2010): 945-964
<<http://escholarship.org/uc/item/86w5m90m>>.
3. Monopsony as it applies to the labor market is described further here: https://en.wikipedia.org/wiki/Monopsony#Static_monopsony_in_a_labor_market

By: Chris Cramer

Pennsylvania Field Campaign

We have just started a new field campaign in Pennsylvania. We are targeting Pennsylvania because it contains the most lopsided, unfair representation in Congress. Even though the state was won handily by Obama with 52% of the vote, the congressional delegation has 13 Republicans,

but just 5 Democrats. Democratic candidates for the House won a majority of the votes cast statewide in the last election, but this translated to 72% of the seats going to Republican candidates. This unfairness is due to a partisan gerrymander of the congressional district map.

The gerrymander is possible because of a longtime lack of investment by Democrats in the off-year elections for the state supreme court, governor, and the state legislature. In this state that otherwise leans Democratic, Republicans hold the governor's office, the supreme court, and the legislature - virtually unchecked power.

They have used this unchecked power to slash education funding, attack a woman's right to choose, and enact tax cuts for mining companies pouring poison into local water supplies. Even if you don't live in Pennsylvania and bear the full brunt of this right wing onslaught, it still affects you. They have used their total control of Pennsylvania to help John Boehner keep his job as Speaker of the House, not only blocking progressive federal legislation from passing, but playing games with the federal budget and running the United States economy into the ground.

Currently, we calculate that gerrymandering in Pennsylvania is responsible for one-third of the 33-seat margin that Republicans have in the House of Representatives. We have a plan to reverse this practice in Pennsylvania, as part of a larger plan to reverse Republican control in states across the country. We will be sharing information about our efforts in other states later on.

Meanwhile, we have opened our first new field office in Pennsylvania. It is in Center City, Philadelphia, in the Rittenhouse Square area, at 1500 Walnut Street, Suite 700. We will be opening more offices across the state, with this one serving as our Pennsylvania headquarters. Phone: 215-501-6926

By: Tom Cramer & Chris Cramer

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.