CHAPTER 22

POLITICS: 
A GRASSROOTS RESPONSE

REVIVING THE MODERATE CENTER
AND MIDDLE-CLASS POWER

There is a disconnection between the people and their leaders. Citizens do not trust their government. And a variety of polls indicate that the distrust extends to corporations and the media. People do not feel that they have much control over their lives, and the sense of impotence grows like a great life-endangering tumor.

—JOHN W. GARDNER,
cabinet secretary to President Lyndon Johnson

Either democracy must be renewed, with politics brought back to life, or wealth is likely to cement a new and less democratic regime—plutocracy by some other name.

—KEVIN PHILLIPS,
Wealth and Democracy

CHANGING THE POWER EQUATION in Washington will take a mass movement at the grass roots to force the White House and Con-

gress to listen to average Americans and to put a middle-class agenda into law. It will also require reforms in our political system to increase the influence of political moderates and independent voters by reducing the built-in advantages now enjoyed by partisan extremists.

Voting is critical, of course, but experience teaches that voting is not enough. Even when voters elect a middle-class-friendly president and Congress, the hard grit of policy is chiseled out between elections, when voters have turned their backs on politics. That is when the influence game in Washington goes to work and undoes much of what voters thought they had voted for. The public may vent its frustration to pollsters, but as we have seen, Congress doesn't listen to polls.

Congress—and presidents, too—listen to money. The business of members is getting reelected. As the costs of political campaigns have soared, the power of political money has grown to the point where we have a government responsive largely to the superclass, what economist Joseph Stiglitz called government "of the 1%, by the 1%, for the 1%." Or as Senator John McCain, the conservative Republican presidential nominee in 2008, put it, the flow of money into lobbying and into election campaigns is "nothing less than an elaborate influence-peddling scheme in which both parties conspire to stay in office by selling the country to the highest bidder.''

Action to Counter the Influence of Money

To counteract the influence of money in the New Power Game, average Americans need to exercise their unique political leverage—direct personal engagement in politics. As John Gardner, longtime head of Common Cause, the nonpartisan public advocacy group, observed, "The sad, hard truth is that at this juncture the American people themselves are part of the problem." Average Americans have become disenchanted and politically disengaged and, as a consequence, disenfranchised.
If we genuinely want government of the people, by the people, and for the people to fix the deep problems that plague our country, then millions of average Americans will have to become directly involved once again in citizen action—making their presence felt, taking to the streets, just as millions did in the 1960s and 1970s—to restore the vital link between Washington and the people.

There is ample tinder to fire a new populist rebellion. Public discontent over the gaping economic inequalities in America today is at a new high. Two-thirds of Americans now say there are “strong” conflicts between rich and poor—up roughly 20 percent from just two years ago. And this is not the view just of liberals. The perception of class conflict has risen sharply among white people, middle-income earners, political independents—even among a majority of Republicans (55 percent).

Confidence in government, especially in Congress, has plunged to historic lows. The popular sense of alienation is acute. Americans are fed up with the mean-spirited partisan warfare in a Congress that fails to do the people’s business. In the summer of 2011, 70 percent told a CBS News poll that special interests have too much influence in Washington, and 85 percent said that ordinary people have too little influence. Voters in focus groups told Democratic pollster Stanley Greenberg: “There’s just such a control of government by the wealthy. . . . We don’t have a representative government anymore.”

Hard facts support this conclusion. Political scientists have documented in detail that without active grassroots pressure, Washington ignores large majorities of Americans. When Larry Bartels of Princeton University analyzed a host of congressional votes in the 1980s and 1990s, he found that senators were “vastly more responsive to affluent constituents” than to middle-class and poorer voters.

In 2005, Martin Gilens, another Princeton political scientist, made a detailed comparison of the policies that voters preferred with the policies Washington adopted and concluded that politicians had disregarded the views of middle-class voters. “Influence over actual policy outcomes,” wrote Gilens, “appears to be reserved almost exclusively for those at the top of the income distribution.”

Correcting the obvious inequalities in our democracy, as well as in our economy, will require political reforms—pushed from the bottom up.

**Step #9: Rebuild the Political Center**

Step #9 is to regenerate the centrist core of American politics both by rejecting extremist candidates in both parties and by opening up our political process in every state to give more influence to moderate and independent voters.

Historically, when there has been mass disenchantment with both major political parties, public anger has spawned third party movements. In the 1992 presidential election, Texas billionaire Ross Perot ran for president and won nearly 20 percent of the popular vote running as an independent.

At that time, 39 percent of the voters voiced dissatisfaction with how government was being run. Today, dissatisfaction with both parties in Washington is far higher—81 percent—and it has once again spurred an urge to reach beyond party lines and revive the political center. The 2012 political year has seen a wave of new political movements such as Americans Elect, Votocracy, Third Way, and No Labels. “There is just so much unrest out there that something is going to explode,” commented Democratic pollster Peter Hart.

Americans Elect is the most ambitious effort to promote a bipartisan middle ground in the presidential election. Capitalizing on the Internet, Republican strategist Khalil Byrd and wealthy philanthropist Peter Ackerman have been promoting what Byrd calls a “widespread draft movement for presidential candidates,” with strong appeal to moderate and independent voters. Their idea is to bypass the Republican and Democratic nominating conventions with more direct democracy: Offer registered voters a forum to nominate their own presidential candidate via the Internet, with the proviso that whoever is chosen as presidential nominee must select a running mate from the opposite party. By early 2012, Americans Elect ac-
complished a major goal—getting the organization listed on the ballot in all fifty states.

The key, of course, is fending a high-profile, vote-getting candidate and sustaining the movement. After the 2010 midterm elections, New York’s Republican mayor, Michael Bloomberg, seemed to cast himself as a centrist contender with his broadside blast at both major parties. “Despite what ideologues on the left believe, government cannot tax and spend its way back to prosperity, especially when that spending is driven by pork barrel politics,” Bloomberg declared. “…Despite what ideologues on the right believe, government should not stand aside and wait for the business cycle to run its natural course. That would be intolerable…” But having staked out the political middle, Bloomberg did not throw his hat in the ring. Even when third-party movements have run a potent vote-getter, such as Theodore Roosevelt and the Bull Moose Party in 1912 or Ross Perot in 1992, third parties have never offered a long-term solution to a sharp divide between the two major parties. Perhaps the most important role of Americans Elect in the future may be in state and Congressional races because it has gotten its own ballot line all across the country.

Another sign of rising protest against political extremism—at the state and congressional level—is the birth of No Labels, a group formed by longtime Democratic fund-raiser Nancy Jacobson and Republican Mark McKinnon, a media strategist for the Bush presidential campaigns in 2000 and 2004. No Labels won early blessings from Mayor Bloomberg, Florida’s former Republican governor Charlie Christ, and former Clinton administration official Jonathan Cowan. As Cowan puts it, the goal is to counteract “this kind of hyper-partisanship, my party, right or wrong, damn the consequences” and to pressure politicians in all 435 congressional districts into “setting aside their [party] labels” and moving toward compromises on the nation’s most pressing issues.

But Third Way, a think tank linked to No Labels, has a more focused and practical agenda. Its leaders see parties as the main cause of today’s “pathological polarization” of politics, and they want to break party control over primary elections, the gerrymandering of congressional districts, and party line election of congressional leadership. “Political parties have turned out to be a disaster,” argues former conservative Oklahoma Republican congressman Mickey Edwards. “The problem is the party system itself. And No Labels has on its mission statement to move toward open primaries and to take away party control over districting.”

Reforming the Primary System

To revive the political center, Third Way asserts, it’s essential to break the iron grip of parties by opening primaries to all voters and turning over the once-a-decade redrawing of congressional district lines to nonpartisan commissions. Such moves, reformers assert, will change the mix of voters and the dynamics of political campaigns. The idea is that open primaries would expand the electorate and therefore push candidates to cater more to moderates, who at 44 percent of the electorate in the presidential election of 2008 outnumbered both conservatives (34 percent) and liberals (22 percent). Third Way argues that open primaries should lead to the election of more moderates, making Congress less polarized and more prone to compromise.

Actual experience is limited, but it supports Third Way’s logic. Twice since the 1970s, California’s legislative redistricting was forced into the courts and carried out by a panel of retired federal judges instead of the legislature. Each time, the parties wound up with less of a lock on legislative districts. Elections swung from Republican to Democrat and vice versa. Voters had more sway.

So far, eleven states have so-called open primaries in the presidential nominating contest for both parties—that is, primaries where each party, running its own candidates, opens the ballot to all voters, whether they are registered in that party or are independents or in the opposite party. Eighteen states follow the same pattern in congressional elections—all voters can take part and vote for that party’s candidates.
So far, only Washington State has taken the next step—running one nonpartisan primary in congressional races, where candidates for both parties run together in a single primary race and voting is open to everyone. The top two vote getters then oppose each other in the general election. Washington State did that in 2010 and the impact was dramatic. The average vote in Washington State's nine congressional districts tripled the turnout in 2008. That seemed to favor more moderate candidates because higher turnout typically reduces the pull of extremist candidates. California has now decided to follow Washington State in its congressional elections in 2012, and if it works well there, the idea may spread.

Ways to Boost Voter Turnout

Since American elections with low turnout usually go to the party that can fire up the political emotions of its most ardent partisan supporters, the most obvious way to increase the influence of moderate and independent voters would be to increase American voter turnout. In 2010, just 37 percent of eligible voters cast ballots. When so many Americans move their residences from year to year, local variations in voter registration pose obstacles to higher turnouts. In the 2008 president election, an estimated 2.2 million Americans were unable to cast ballots because of voter registration problems, according to the Pew Center on the States.

The Pew Center and other groups have urged states to adopt automated online voter registration and computerized voting, to make voting more accessible to people whose jobs are distant from their homes and voting sites. A few states such as Maine, Minnesota, and Wisconsin have instituted election-day voter registration and seen voter turnouts rise. Other countries have gotten better turnouts by putting election days on weekends or holidays to reduce conflicts with work schedules. In America, 25 percent of eligible voters have told pollsters that work and schedule conflicts impede their ability to vote.

To boost turnout, about thirty countries have compulsory voting, and some actually penalize voters for failing to exercise their franchise. Australia achieves roughly 95 percent voter turnout by holding elections on Saturdays and fining citizens A$20 for not voting, with the fine escalating each time a voter misses an election. This system changes the dynamics of the campaign and elevates the caliber of debate in Australian elections, according to Norman Ornstein of the American Enterprise Institute.

"The way to gain votes does not come from working your base to fever pitch, it comes from persuading the persuadables, the centrists who are increasingly left out of the American political process," Orstein has written. "Appealing to the extremes is a formula for failure. If there were mandatory voting in America, there's a good chance that the ensuing reduction in extremist discourse would lead to genuine legislative progress."

The Corruptive Influence of Money

The toughest nut in U.S. politics today is how to reduce the influence of money in elections and on legislative policy making. As Arizona's Republican senator John McCain once admitted, "All of us [politicians] have been corrupted by the process where big money and big influence—and you can include me in that list—where big money has bought access, which has bought influence."

So far, legislative efforts at reform have repeatedly been undermined: Each time Congress has tried to impose limits on donations to political candidates, either the Supreme Court has voided those measures as unconstitutional limits on free speech or ingenious political operatives have found ways around the laws. In its January 2010 decision on the Citizens United case, the Supreme Court rejected two precedent decisions and ruled that government may not ban campaign spending by corporations on behalf of political candidates. The high court gave the green light to unlimited donations to independent groups, meaning technically independent of candidates
and parties. That decision, reinforced by the loose rules for independent groups adopted by the Federal Election Commission, has effectively nullified the existing $2,500 limit on personal contributions to political candidates and opened the floodgates to hundreds of millions of campaign dollars flowing from super-rich donors and corporations to theoretically independent Super-PACs.

**The Sudden Surge of Super-Pacs**

Very quickly in the 2012 elections, Super-PACs emerged to play a commanding role, acting as surrogates for the candidates they favored. In Iowa's Republican caucuses, Restore Our Future, the Super-PAC backing Mitt Romney, demolished Newt Gingrich with a multimillion-dollar television ad blitz. In South Carolina, the pro-Gingrich Super-PAC, Winning Our Future, crippled and defeated Romney. Other candidates, such as former Pennsylvania senator Rick Santorum and Governor Rick Perry of Texas followed suit: "The Super-PACs are plainly an avenue for candidates to evade the law that limits contributions," Mann and Ornstein commented ruefully.

By late spring, Super-PACs had raised $160 million, bankrolled mainly by a small group of billionaire would-be kingmakers such as Las Vegas casino owner Sheldon Adelson and his wife, Miriam; Harold C. Simmons of Dallas and his chemical and metals conglomerate, Contra Corporation; Houston home builder Robert J. Perry; PayPal co-founder Peter Thiel; Hollywood producer Jeffrey Katzenberg, CEO of Dreamworks; and hedge fund managers John A. Paulson and Paul Singer of New York. Just three super-donors—the Adelsons, Simmons/Contra, and Perry—contributed close to one fourth of all the Super-PAC cash.

In the 2012 general election campaign, Super-PACs have cast themselves as weapons of political mass destruction. Long before the party conventions actually nominated presidential candidates, runaway campaign fund-raising by Republicans, Democrats, and independent groups was on track to outspend the record-breaking $1.8 billion presidential election of 2008. Charles and David Koch, billionnaire owners of Koch Industries, an energy conglomerate headquartered in Wichita, Kansas, pledged $60 million to defeat President Obama and recruited other wealthy conservative super-donors to help raise $100 million. American Crossroads and Crossroads GPS, the Super-PACs masterminded by Karl Rove, longtime political strategist for George W. Bush, set a goal of raising $300 million to blitz Obama. Initially, President Obama had rejected Super-PACs. But facing a Republican Super-PAC offensive, Obama relented and gave the go-ahead for Democratic funders to try to match Republicans, pressuring a fierce crossfire of negative attack ads in the fall campaign.

More broadly, the explosive rise of Super-PACs and their super-donors has overwhelmed the campaign finance reform legislation enacted since 1974 and has thrown America once again into an era of essentially unregulated campaign funding.

Reformers like Senator McCain have warned that unregulated funding corrodes American democracy and corrupts the legitimacy of American elections, and so they have fought to impose limits on donations. Other reformers have advocated large-scale public financing to put political unknowns and challengers on a more equal footing with incumbents and to reduce the lopsided political influence of big corporations and wealthy donors. But decisions by the Supreme Court and the Federal Election Commission have punched large loopholes in those reforms. Fred Wertheimer of Democracy 21 and others have attacked the fictional independence of some Super-PACs from their favored candidates and now call for new laws to ban Super-PACs with any links to candidates, however indirect.

But politicians and their campaign strategists have been so ingenious and adept at getting around laws and regulations that it will almost surely require a constitutional amendment to ban campaign contributions from corporations, labor unions, and other institutions and specifically to empower Congress to impose limits on campaign donations from individuals. But that is a formidable process, sure to be fiercely opposed by entrenched interests. Only a groundswell of grassroots political activism, fueled by public revulsion at the power of Super-PACs and inflated campaign spending by America's super-rich,
will be able to overcome resistance from politicians, and especially from congressional incumbents who have thrived on the present system.

**Step #10: Mobilize the Middle Class**

The only sure way to alter today's patently unequal democracy is for average Americans to mobilize politically—to break out of their political inertia and to move forcefully back into the political arena.

Important as it is to open up party primaries, arrange for nonpartisan legislative redistricting, and provide a floor of public financing for elections, the fundamental need of American democracy is the practical exercise of democracy—a rebirth of citizen activism. That requires not only a populist rebellion against the political and economic inequalities of our divided nation, but a hopeful rebirth of American idealism, a revival of the belief that ordinary people can, in fact, make a difference and turn the tide.

At election time, American voters seem flattered and even seduced by the ritualistic declarations of presidential contenders that America's best years lie ahead and America's democracy is the greatest in the world. But it is clear from a multitude of opinion polls and reporting that once the inflated rhetoric of campaigns subsides, people don't really believe that anymore. They doubt their own power.

"The loss of civic faith is an obstacle," John Gardner remarked in the late 1990s. "One might imagine that the solution would be for government to make itself worthy of our faith. But the plain truth is that the government... will not become worthy of trust until citizens take positive action to hold them to account. Citizen involvement comes first."

Politicians are afraid of mobilized voters. They open their doors when home-state residents flood the corridors of Capitol Hill—evidence that continuing political pressure from the middle class can push Washington to generate what nineteenth-century British philosopher Jeremy Bentham called "the greatest good for the greatest number.

So the time has come for direct political action by millions of ordinary Americans to use their physical involvement as a countervailing power to Washington influence peddlers.

**You Think Government Doesn't Work? Take Another Look**

But what's the point? people say. Government doesn't work.

Well, take a closer look. Government may not work well for average Americans, but it has been working very well for Wall Street, for multinational corporations, and for the financial superclass. They get the government they want, and they pay handomely to get it.

During 2009 and 2010, when Congress was writing laws on financial regulation, health care, and taxes, business interests spent $6 billion on lobbying. In "soft money" campaign contributions, business outspent labor 97 to 1 in the 2010 elections, and it got a Congress eager to roll back regulations on banks, health insurers, and other businesses and refusing to close corporate tax loopholes or raise taxes on the rich. Over the years, the multinationals have won new trade deals, tax holidays on overseas earnings, and laws that let them import cheaper foreign labor to displace American workers. Some of America's richest families bankroll anti-tax conservatives like the Tea Party, which has wielded huge influence in two short years, even though it represents only a small fraction of Middle America.

So government can work. You just have to make it work for you.

People are understandably skeptical. Many say they want smaller government, but that may be because they don't realize how much they already depend on government, like the South Carolina man who in an anti-government tirade told his congressman to "keep your government hands off my Medicare"—not realizing that Medicare was a government program.

In a 2008 survey by Cornell University, people were asked if they had ever benefited from federal policies and government programs. In response, 57 percent said, "No, never." But when they were questioned more closely, it turned out that 94 percent had actually ben-
founded from at least one government social program and the average person had used four programs.

So government has an impact on our lives, and we in the middle class need to learn from Wall Street, Corporate America, and the Tea Party how to make it work better for us. That may sound impossible. Ever since the late 1970s, the power game has been dominated by money. Of course, people in the middle-income brackets cannot hope to outspend the rich and the big corporations.

The most powerful action that average Americans can take is to organize at the grassroots, as the Tea Party did, and then put ourselves on the line. Ordinary people need to personally join the battle: Show up at town meetings with members of Congress; get out on Main Street and demonstrate for jobs and homes; head for the state capital; take the bus or train to a march on Washington. Like the civil rights protesters, or the military veteran bonus marchers during the Great Depression—or the Tea Party people today—average Americans can stage rallies and demonstrations and put up tent cities on the Washington Mall that make it impossible for Congress and the White House to ignore the needs and demands of ordinary people.

**The Touchstone Issues—Jobs and Fairness**

It would help rekindle public faith in government if political leaders would demonstrate that Washington actually works for average Americans, that the White House and Congress are ready to help out Main Street the same way they bailed out Wall Street.

The test should focus on two touchstone issues—jobs and fairness. Both issues can mobilize the middle class. People have an existential understanding of jobs and fairness, either from their own lives or from the lives of their family, friends, and neighbors.

If enough average Americans mobilize around jobs and fairness and demand action from Congress and the White House, politicians will get the message and respond. As the Tea Party has demonstrated, a highly vocal activist minority with a clear agenda and focused demands can change the debate and direction of policy in Washington.

Jobs come first. They are the essential economic lever to lift the middle class back to shared prosperity and to jump-start the consumer engine to drive the American economy. The test of whether business leaders are committed to America’s growth or just to their own company’s profits is whether they invest their $1 trillion or $2 trillion in cash reserves and their overseas profits in creating jobs in America and not primarily in stock options, higher dividends, and buying back their own company’s stock.

Practical programs to promote and create jobs are the political litmus test of whether Congress and the White House are committed to a middle-class revival or just to a futile repetition of the failed litany of the lower taxes, less regulation, free market mantra that in the 2000s generated the worst economic performance for most Americans of any decade since World War II.

**Catch-22 for Twenty-Two Million Homeowners**

Fairness is the touchstone for money issues—a test of whether America can return to a more equitable sharing of the nation’s economic gains.

As we have seen, the middle class won’t have enough spending power to regenerate “the virtuous circle” in the economy unless a much larger share of America’s national income goes to average Americans. Fairness requires rebalancing how business profits are divided between shareholders and employees, and it calls for rebalancing government policies more in favor of average Americans.

Some quick symbolic steps such as closing corporate tax loopholes, raising taxes on the rich, and imposing new fees on Wall Street’s stock transactions and executive stock options could help restore government’s credibility with ordinary people.

But a more central long-term yardstick of fairness to the middle class is how the Congress and the White House handle housing, since homes are the heart of the American Dream and the corner-
stone of middle-class wealth. As Harvard economist Kenneth Rogoff noted, “There is widespread agreement among economists that housing debt is at the heart of the slow recovery, and that finding a way to bring it down faster would accelerate the recovery.”

The biggest debt now overhangs twenty-two million families stuck in homes that are “under water.” Like the big Wall Street banks, which were bailed out not only with $700 billion in taxpayer funds, but with $7.7 trillion in loans from the Federal Reserve, these creditworthy homeowners desperately need help with rewriting and refinancing their mortgages, and smart economists have spelled out steps to speed massive refinancing—steps that would be a shot in the arm to the whole nation.

A dead housing market hurts everyone. It not only depresses home values, it cuts consumer demand. Even people whose homes are above water cut back their spending when housing prices fall. Economists tell us that the housing collapse from 2006 to 2009 has cost the U.S. economy an estimated $240 billion a year in lost consumer spending.

“Consumer spending is not only the key to economic recovery in the short term,” economic historian James Livingston of Rutgers University has written. “It’s also necessary for balanced growth in the long term. If our goal is to repair our damaged economy. . . . that entails a redistribution of income away from profits toward wages, enabled by tax policy and enforced by government spending.”

What’s Needed: Armies of Volunteers

Getting help for homeowners and jobs for the roughly twenty-five million unemployed and underemployed Americans will require changing the political dynamics in Washington. The reflexive instinct of most Americans is to ask for a new Lincoln to pull the nation together again and restore a national sense of purpose. But great as he was, Lincoln could not have done it without armies of volunteers—without regiments from New York, Illinois, Ohio, and Pennsylvania, without average Americans prepared to put them-
from Haifa to Beersheba and along fashionable avenues in Tel Aviv to protest against the concentrated wealth of the “tycoons,” as Israel’s richest families are known. They called on the Israeli government to take action to “minimize social inequalities.”

Under pressure from the street, Prime Minister Benjamin Netanyahu and the Israeli cabinet set up an economic commission to study the popular demands, and then, when the commission delivered its findings, the government approved its call for increased taxes on companies and on capital gains and a surtax on the wealthy, as well as its proposals for easing financial burdens on the middle class. “The consumer will feel the government’s decision today in his pocket,” said Netanyahu.

If there can be protests and government action against a lopsided division of the economic spoils in Israel, why not in America?

If there can be an “Arab Spring” among peoples who have never known democracy, why not in the homeland of democracy?

Why not a springtime for American democracy? A jobs-first crusade? A movement to reclaim the American Dream?

We are at a defining moment for America. We cannot allow the slow, poisonous polarization and disintegration of our great democracy to continue. We must come together and take action to rejuvenate our nation and to restore fairness and hope in our way of life. We see the challenge. It is now time: We the People must take action.