

FIRST STEPS TOWARDS CHANGE

I've written extensively about the path to neoliberalism, and there's more to come. But with the House of Representatives now under Democratic control, I want to offer some ideas about moving towards a new understanding of the role of government in the US. In *Capitalism: Its Origins and Evolution as a System of Government* Bruce Scott explains the situation:

As articulated in [Chapter 13], the story of early US capitalist governance is one of a nearly 300-year commitment to a laissez-faire model of economic development. It is a story that begins and ends with the decisions of political, legal and economic actors promoting this model, thus disputing the assumption that actions were largely shaped if not quite controlled by "natural" market forces. P. 431

He thinks that after a brief Keynesian interruption, laissez-faire returned in the early 80s. Replacing a centuries-old ideology is really hard. So here are concrete steps the Democratic-controlled House could take. In each case, the House can do its work and force the Senate and its repulsive leadership to deal with the results, heightening the differences between the parties and enabling all voters to understand where their economic and social interests lie.

1. Taxes. The Trump tax bill is historically unpopular. Of the nine House Republicans representing the 25 largest users of sales and local tax deduction, six lost and one more is in danger as the vote count proceeds in CA-45. Voting against the bill didn't help either. Voting against the bill didn't help either. At least four of those Republicans lost. The bill is widely regarded as grossly favorable to the

rich and their corporations. The House has the Constitutional power to originate all tax laws. Richard Neal, D. Mass, is the ranking member. He says his priorities are health care, protecting Social Security and Medicare, and getting Trump's tax returns. He should add a new tax bill to his list. Some suggestions:

A. Raise tax rates on the top earners. There should be several new brackets for the highest earners, with a top tax rate of 60%. The current capital gain tax rate should stay the same, but it should be raised in each bracket above \$250K to a top level of 50%.

B. Corporate tax rates should be increased to 35%. For companies reporting to the SEC, the tax base should be the higher of the amount computed under the tax code and the amount reported as income to the SEC. For the largest private companies, the top tax rate should be based on income computed in accordance with the reporting requirements of the SEC. Income should be taxed at the same rate regardless of where it is earned. Audits should be increase so that at least half of all people in the top brackets are audited every other year.

C. There should be a wealth tax, computed at the rate of 1% of the wealth of individuals in excess of \$25M with some higher brackets. A similar tax should be imposed on all taxable entities at higher levels. Foundations and all dynastic transfer entities should be taxed at much higher rates unless they distribute their assets at very high rates per year. PACS and other dark money groups should be taxed at 60%, or 40% if they publicly disclose the true donors.

D. Every taxpayer with adjusted gross income equal to or less than the median income should get a check from the government for \$2000 regardless of the amount of taxes they pay. That should be phased out over the next \$100K in income. Each check should be accompanied by a letter from the Treasury explaining it and noting that it was paid for by adjusting tax

rates to a more fair level.

E. The cap on FICA and Medicare taxes should be reduced to \$100K, and should be re-imposed on incomes in excess of \$250K. The funds would be given to the Social Security Trust Fund and the Medicare Trust Fund, then to fund Medicaid, then to pay for increased audits.

2. The House Financial Services Committee will be chaired by Maxine Waters. It should investigate the connections between all banks and Russian oligarchs. This would include Deutsche Bank. This will enable a careful look at Trump's relationships with those entities, and who knows what we will find out.

3. The House Judiciary Committee will be chaired by Jerry Nadler. It should obtain transcripts of the testimony of Samuel Alito, Neal Gorsuch and Brett Kavanaugh from each hearing in which they were confirmed to any judicial post. Then there should be a subpoena-powered investigation to determine just how much each lied and whether to impeach. The steady drumbeat of this testimony and investigation should lay the groundwork for reforms, including court-packing in the future. It may also impact the willingness of these hacks to strike down legislation on ideological grounds.

4. The Environment Subcommittee will be chaired by Peter Tonko, NY-20. None of the members are senior in rank. Nancy Pelosi should elevate this Subcommittee to Committee status and install an aggressive younger Member as Chair. A highly aggressive group of staffers should be hired, including scientists. We cannot live on this planet unless we start taking serious action. Noisy hearings should be held immediately forcing fossil fuel executives to explain their support of science denialism and continued pollution of the air and water. Renewable energy execs should be brought in to offer expertise in expansion of their efforts. I don't know enough to offer better ideas, but this is critically important, and immediate action must be taken.

5. Every committee and subcommittee should commence oversight hearings of the agencies under their jurisdiction, focused on whether the agency is carrying out Congressional intent and on corruption. Each should focus on a crucial problem faced by the agency. For example there should be hearings on Flint water, the VA computer fiasco, and Puerto Rico after the hurricanes, including recovery, debt, and possible statehood. There are plenty of other issues that are not being addressed. Hold hearings.

6. The rules of the hearings should be changed. At least one younger member should be put in charge of asking at each hearing and be given at least 30 consecutive minutes. That member should also be responsible for public appearances. That way we can find out the skills of each member. Are they better at questioning, or staffing or public appearances? Which ones are charismatic even in routine matters?

7. There should be a steady stream of public appearances by Members forcing their actions into public awareness. Pelosi should make sure that the olds are not the public face of the Democratic Party; we don't need her or Steny Hoyer or James Clyburn on the TV. We need the energetic younger people to step up and act. Democrats need to show their faces so that every American feels represented in government. This is how the bench is deepened.

Each of these steps will demonstrate that government is working and doing something necessary. That is the first step to changing the framework people use to understand the government. I read somewhere recently that most people's lives are not affected by elections. That may have been true once upon a time, but now failure to act will have terrible consequences. Left alone, capitalism will kill democracy and then the planet. Government is our only defense against overwhelming greed.

What else?

Now back to Scott and Wood on the future of
democracy in a capitalist world.