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Populist Economic Charade Ends – Plutocracy Wins

A Newspaper Column by Evan Barrett

December 22, 2017

One-party passage of the GOP/Trump “Tax Scam” bill that pretends to aid the middle class while tilting the tax system more than ever to the benefit of the super-wealthy and corporations was the nail in the coffin of the populist charade Trump and the GOP leveraged to electoral victory in 2016. The reality in 2018 is that plutocracy once again reigns supreme under the GOP and Trump.

Plutocracy is government by the wealthy. Populism is support for the concerns of ordinary people. The historical difference between Republican and Democratic Parties is that the GOP has been seen as representing the wealthy while Democrats represent “little people.”

Donald Trump’s surprising 2016 election depended on a breakdown in that dichotomy, with the GOP’s Trump selling himself as someone looking out for the little guy. He called for more taxes on the wealthy -- the elite; said he’d stop the hedge fund manager loophole where those billionaires pay at a lower tax rate than you. He pledged to protect Medicare, Social Security and Medicaid; pledged to provide healthcare for everyone with better benefits at less cost. He said he’d “drain the DC swamp” where the power elite and their lobbyists reigned supreme.

Trump’s 2016 strategy tapped into populist anger in the electorate. Given that tax laws have historically benefitted rich individuals/families (the “elite”) and large corporations, populist anger focused on changing the political/economic playing field tilted to the disadvantage of regular people. Trump yelling “drain the swamp” tapped into that anger because the powerful and advantaged were an “elite” that was well-represented by expensive K-Street lobbyists who made sure that their wealthy benefactors, the large corporations and special interests came out on top.

Trump’s appeal to enough disaffected Democratic, populist-oriented, blue-collar voters (formerly called “Reagan Democrats”) in a number of states, along with many populist Independents, provided a narrow margin to the GOP, producing a small Electoral College edge. A combined total of 108,573 voters in Wisconsin, Pennsylvania and Michigan gave Trump with his small the Electoral College win. Without votes from those disaffected populists in those three states who believed Trump might represent their economic interests, Trump would have lost the Electoral College tally by 10.

Now after a year in office and passage of his only major legislative accomplishment, the Tax Scam, how has populist America fared with Trump at the helm? Let’s check the Tax Scam bill for particulars.

Last year, Trump pledged to protect Medicare and Social Security and provide comprehensive quality healthcare. However, the Scam includes a \$25 Billion cut in Medicare along with Affordable Care Act changes that will result in 13 million fewer insured Americans and premiums pushed up an extra 10%. And the Children's Health Insurance Program has yet to be fully reenacted.

In 2016, Trump said he understood and had used all tax loopholes and that he'd close them; that he and his wealthy, elite friends would end up paying more taxes because they'd had all the breaks to this point. He said he'd bring huge tax cuts to "forgotten Americans" -- the middle class. But, in the Scam Bill, corporations got a huge 40% permanent tax break, while the middle class got small, temporary cuts so eventually they pay more taxes over time, not less. Meanwhile the Trump family stands to gain up to a billion dollars as do many of his friends. Hedge fund managers still have their loophole. By the end of ten years, everyone under \$75,000 will be paying more taxes while 83% of the tax cuts go to the richest 1% -- to the "elite." Trump's "forgotten Americans" are still forgotten.

And the debt? In 2016, Trump said he'd stop us "borrowing from China," but the Scam Bill creates \$1.5 trillion of debt which will have to be borrowed. Meanwhile, GOP leadership is already planning to "reform," aka "cut," Medicare, Medicaid and Social Security to make up for that \$1.5 trillion.

Everyone, including right-thinking Republicans, know the bottom line: the "elites" are still getting richer while the rest of us suck air.

So much for 2016's Trump/GOP "populism." In 2018, we're back to GOP "normalcy." We're still a plutocracy where the rich win out. The populist charade is over.

Evan Barrett, who lives in historic Uptown Butte, recently retired after 47 years at the top level of Montana economic development, government, politics and education. He is an award-winning producer of Montana history films who continues to write columns and record commentaries, and occasionally teach Montana history and contribute to community and economic development projects.

(700 words in the body)