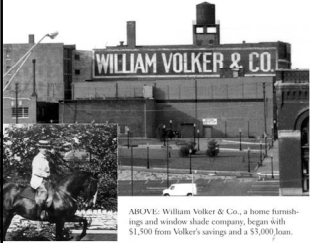
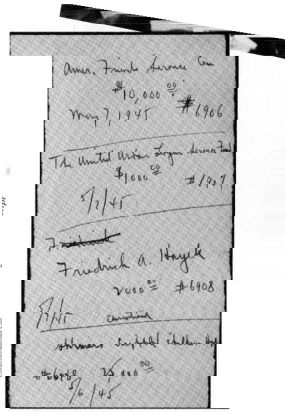


The Business Offensive

From Social Democracy to Market Liberalism
© Avner Offer, Oxford 2010

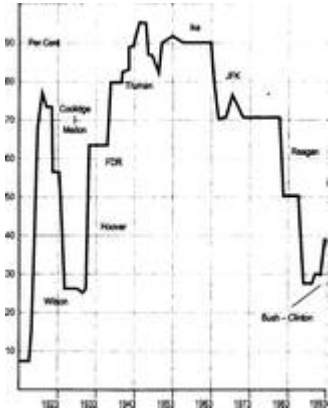


ABOVE: William Volker & Co., a home furnishings and window-shade company, began with \$1,500 from Volker's savings and a \$3,000 loan.



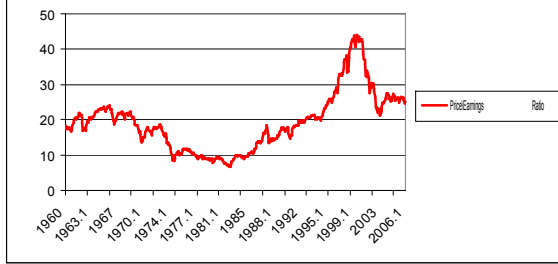
Hopin and Robinson, *Funding Fathers* (2008)

Top US Income Tax Rate



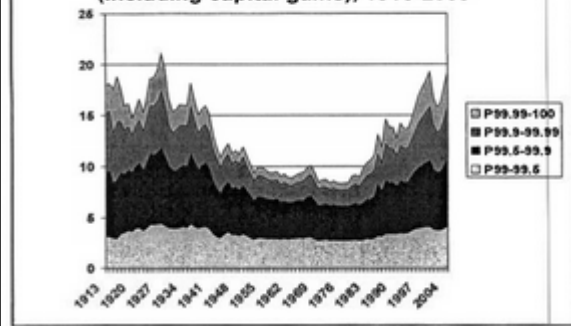
Edwin S. Rubenstein, *The Right Data* (1994)

Standard and Poor 500 USA Stock Price/Earnings Ratio



Shiller, 'Stock Market Data', 2005

Top fractiles income shares (including capital gains), 1913-2005



Piketty & Saez, from Pierson 2007 presentation

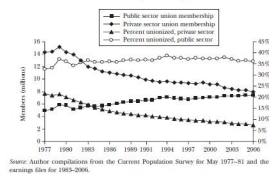
Decline of Unionism

Figure 1
U.S. Private Sector Union Density, 1929-2006



Source: There is no definition, both interpretations were on union density. Figures for 1929-1977 were compiled by Toy and Shultz (1983) from union financial reports, those for 1973 forward as compiled from CPS household data (Hirsch and Macpherson, 2005, updated at <http://www.unionstats.com>).

Figure 3
Private and Public Union Membership and Density, 1977-2006



Hirsch, JEP 2008

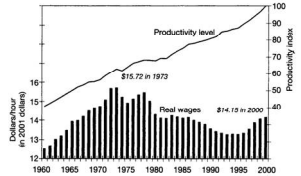
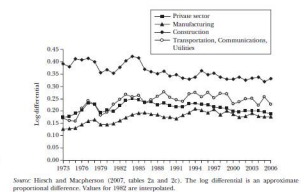


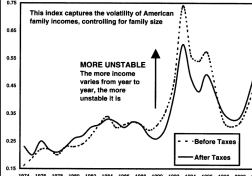
Figure 1.6 The attack on labour: real wages and productivity in the US, 1960-2000
Source: Pollin, *Contours of Descent*.
Harvey, 2005

Figure 4
Private Sector Union Wage Premiums, 1975-2006



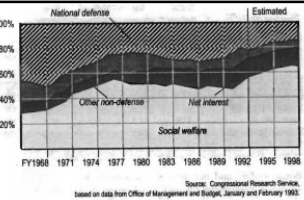
Source: Hirsch and Macpherson (2007, tables 2a and 2c). The log differential is an approximate proportional difference. Values for 1982 are interpolated.

Figure 1: The Rising Volatility of American Family Incomes, 1974-2002

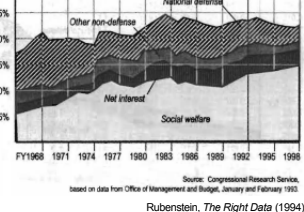


Source: Panel Study of Income Dynamics, University of Michigan; Cross-National Equivalents File, Cornell University.
Hacker, 2006

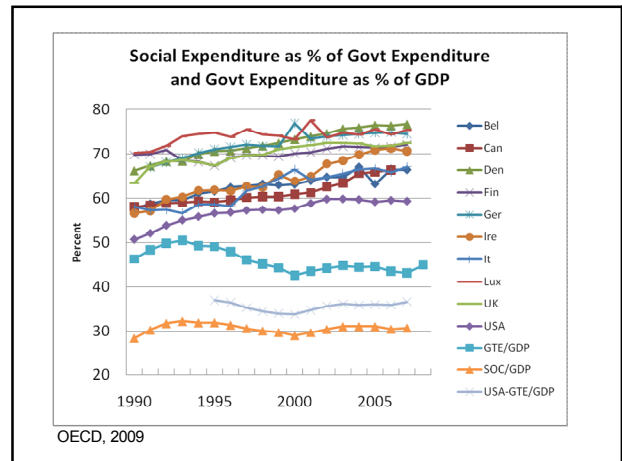
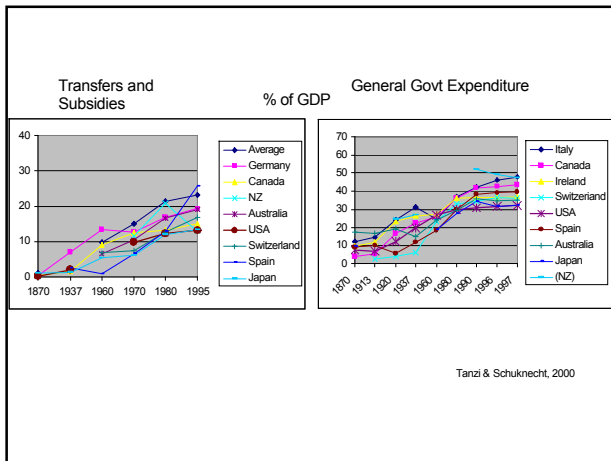
Federal Outlay by Category



Source: Congressional Research Service, based on data from Office of Management and Budget, January and February 1993.



Source: Congressional Research Service, based on data from Office of Management and Budget, January and February 1993.
Rubenstein, *The Right Data* (1994)



Economic Arguments

- Cutting marginal rates leads to growth, job creation, and higher tax revenues
- High taxes fuel inflation
- Reagan tax cuts stimulated the economy
- Tax-advantaged enterprise zones would attract businesses
- Progressive taxes discourage work, investment, and productivity
- Budgetary models should account for effects of taxes on the economy
- Europe's economies suffer from overtaxation
- Tax bill will increase efficiency and competitiveness of industry
- Taxes are lowering people's standard of living
- Clinton's tax proposal will sink the economy
- Talk of raising taxes caused stock market to fall
- Corporation and capital gains taxes impede investment
- Taxes on business pass through to consumers via prices

Smith, *The Right Talk* (2007)

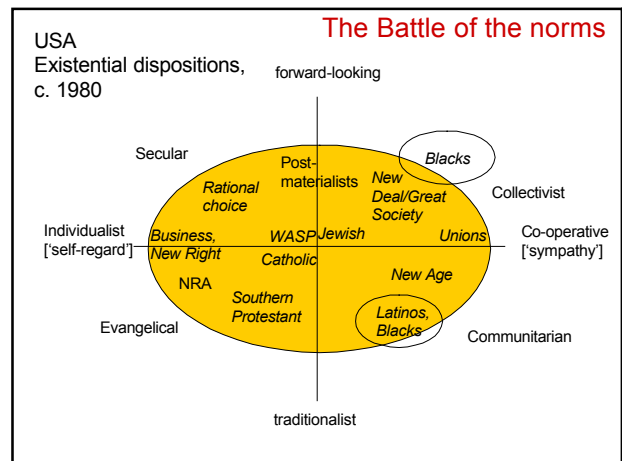
Noneconomic Arguments

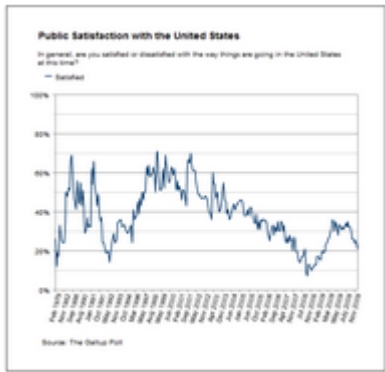
- Progressive taxes violate equal treatment before the law
- Taxing relies on coercion, impinges on freedom
- The American people want lower taxes
- Opponents are using faulty numbers on taxes
- A tax hike would feed big government and the welfare state
- The IRS is unfairly implementing tax laws
- A large surplus means we should give the people their money back
- The proposal to raise taxes will simply lead to more spending
- It is socialist to tax some at higher rates than others
- Spending should be cut before we consider tax increases
- A flat tax is fair and easy to understand, eliminates loopholes
- The bill to cut taxes will not hurt charitable giving
- The rich pay their fair share of taxes
- Hidden taxes like a VAT cause the total tax burden to rise
- Tuition tax credits would foster diversity and quality in education
- Voters are penalizing politicians who raise taxes
- Sin taxes restrict liberty by trying to change behavior
- Taxing higher incomes to achieve equality is simply class envy
- The tax-exempt status of a certain organization should be upheld
- It is unfair for inflation alone to raise someone's taxes via bracket creep
- Corporate taxation is unjust because it is double taxation of capital
- The tax code is too complex
- Taxes lead to government waste

Smith, *The Right Talk* (2007)

Using money to capture govt

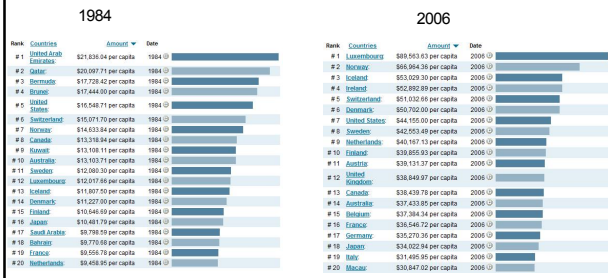
- Government**
 - De-regulation
 - Capture and diminish
 - Tax cutting
 - Corporate welfare
 - Congressional earmarks
- Corporate**
 - Electoral
 - Lobbying
 - PACs
- Foundations**
 - Think-tanks
 - Academics
 - Ideological entrepreneurs
- Media**
 - Television advertising
 - Right Wing Radio
 - Fox News
 - National Review etc.
- Union Bashing**
- Republican Party takeover**





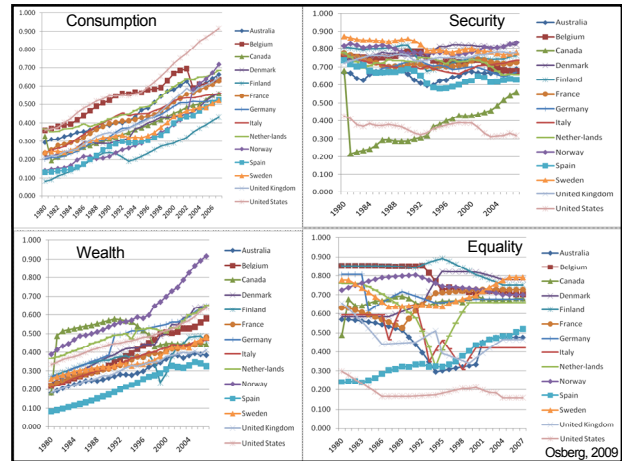
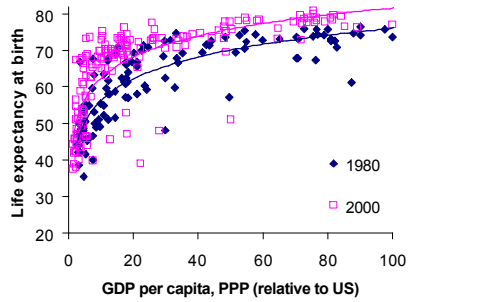
Financial Times

Top twenty GDP per head



Nationmaster

Life expectancy at birth, 1980 and 2000, (each point a country)



Index of Economic Well-Being: Consumption, Wealth, Equality, Security weighted equally

