

Mother Jones

Quote of the Day - 10.16.08

QUOTE OF THE DAY....From Joe Klein:Ronald Reagan used to say that the most frightening nine words in the English language were "I'm from the government and I'm here to help." That is no longer true. This year, the most frightening...

By [Kevin Drum](#) | Thu Oct. 16, 2008 2:43 PM PDT

QUOTE OF THE DAY....[From Joe Klein:](#) [1]

Ronald Reagan used to say that the most frightening nine words in the English language were "I'm from the government and I'm here to help." That is no longer true. This year, the most frightening eight words are "I'm John McCain and I approved this message."

Actually, that's just the best prepackaged zinger from the linked post. The most genuinely penetrating piece of wordsmithing was this:

We have had 30 years of class warfare, in which the wealthy strip-mined the middle class.

That's a very good metaphor. Personally, I'm not very interested in income redistribution. I'm interested in getting the distribution right in the first place. For three decades we've artificially kept middle class wage increases far below the growth rate of the economy, and this trend has been even more pronounced over the past eight years. This has created an enormous pool of extra money that's been — yes — strip mined and redirected to the rich, and fixing this is Barack Obama's biggest and longest-term challenge. If we restore the normal growth of middle class wages, it provides a sustainable consumer base for the entire economy; it reduces the demand for endless credit card debt; it brings down income inequality naturally; and it goes a long way toward keeping the financial sector under control and reining in Wall Street salaries without putting in place a bunch of artificial (and probably fruitless) regulations.

And that's just for starters. Stop the strip mining and economic vigor will follow. It's at the core of everything.

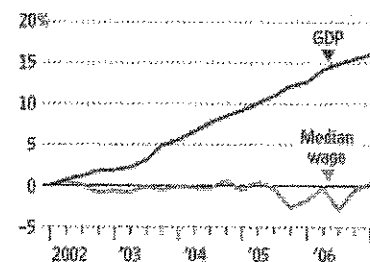
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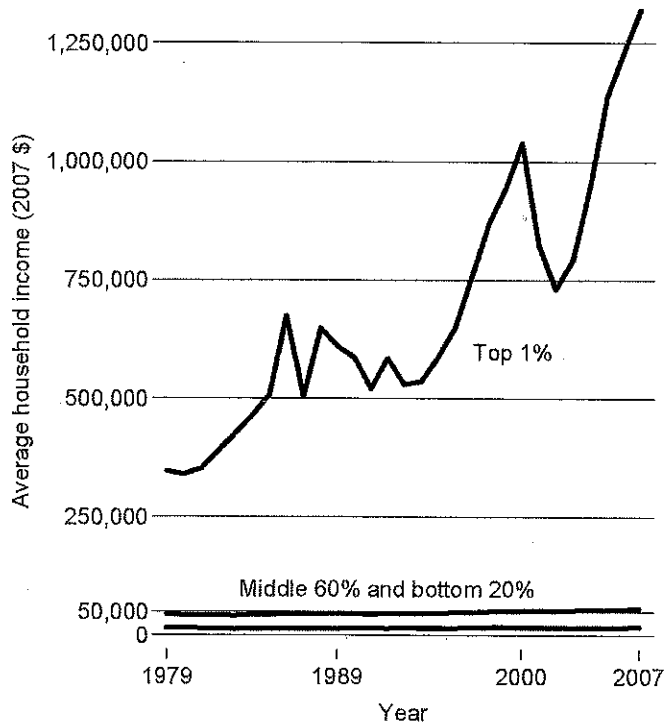
[1] http://www.time-blog.com/swampland/2008/10/senator_government_v_joe_the_p.html

Divergence

The median wage has lagged behind overall economic growth since the expansion began. Cumulative change:



Inequality rising: inflation-adjusted household incomes, 1979-2007



Note: Inflation-adjusted posttransfer-posttax incomes. The data are averages within each group. Incomes in 1979 and 2007: \$15,500 and \$17,500 for the bottom 20%; \$44,000 and \$57,000 for the middle 60%; \$350,000 and \$1,300,000 for the top 1%. The years listed on the horizontal axis are business-cycle peaks.

Source: Lane Kenworthy, using data from the Congressional Budget Office, www.cbo.gov/publications/collections/collections.cfm?collect=13.