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A Roosevelt for Our Era

Theodore Roosevelt, where are you? That's the kind of leader Republicans need to bring their party back to its senses. Someone who is willing to split the party wide open in order to bring it into the modern world.

The split is already evident. The Tea Party has been threatening incumbents with primary challenges since 2010. Sometimes successfully. It has worked to keep even sensible moderate Republicans in line with the right-wing agenda.

Now business groups are threatening to run Republican challengers on the other side. Business leaders want pragmatists, not ideologues, in Congress. They are horrified by the obstructionist mentality that has seized the House GOP, brought the government shutdown, and threatens a debt default.

The head of the National Federation of Independent Business (NFIB), the nation's leading small business group, told *The New York Times*, "There clearly are people in the Republican Party at the moment for whom the business community and the interests of the business community—the jobs and members they represent—don't seem to be their top priority. They don't care what the NFIB thinks and don't care what the Chamber [of Commerce] thinks and probably don't care what the Business Roundtable thinks."

The current Gallup poll reports that 60%



of Americans believe the U.S. needs a third party—the highest level in at least ten years. A majority of Republicans feel that way. If the damage caused by the shutdown continues to mount or if a debt default causes an economic crisis, it's not difficult to imagine mainstream Republicans looking for new alternatives. All that's required is for some Republicans to conclude that they would just as soon have Democrats in power as the Tea Party.

That's exactly what happened when Theodore Roosevelt ran for President as the Progressive Party candidate in 1912. Having served two terms as President (the first following President McKinley's assassination six months into his second term), TR moved to the left and embraced the progressive movement then sweeping the country—most notably in his August 1910 speech in Osawatimie, Kansas, where he endorsed a "graduated income tax on big fortunes." Barack Obama opened his re-election campaign with a similarly progressive speech in Osawatimie in December 2011 ("This kind of inequality—a level that we haven't seen since the Great Depression—hurts us all").

The rules in U.S. elections usually make it irrational to vote for a third-party candidate. If you do, you are very likely taking votes away from your second choice and helping to elect the candidate you like least. Case in point: in 2000, Ralph Nader got 97,488 votes in Florida.

That gave George W. Bush his 537-vote margin of victory in Florida—and the White House.

It makes sense to vote for a third-party candidate if he or she actually has a chance to win. Theodore Roosevelt came in second in 1912, with 27% of the vote and 88 electoral votes. William Howard Taft, the Republican incumbent, came in third with 23% of the vote and only 8 electoral votes. The split in the Republican vote elected a Democrat, Woodrow Wilson—the only Democrat elected President between 1896 and 1932.

Wilson and Roosevelt were both progressives. They both supported women's suffrage, more regulation of business, and the income tax. It is plausible that Roosevelt's supporters would have preferred Wilson over Taft, the conservative.

Did TR's 1912 campaign accomplish anything more than electing a Democrat? It gave progressives another eight years in power with Wilson. And it started the process whereby progressive Republican voters abandoned the GOP, eventually joining the New Deal Democratic coalition in the 1930s and 1940s.

Is there a Theodore Roosevelt for our era? John McCain sounded like one when he first ran for President in 2000 as a reform candidate. But to win the Republican nomination in 2008, McCain had to make peace with hard-line conservatives and put Sarah Palin on the ticket. McCain will be 80 years old in 2016.

New Jersey Governor Chris Christie could be that kind of figure. Christie, a Republican, is likely to win a resounding re-election victory in a blue state in November. In the September Quinnipiac poll, Christie was getting 35% of the Democratic vote. Conservatives may block him if he runs for the Republican nomination in 2016. They blame Christie for helping Obama get re-elected after the New Jersey governor praised the President effusively for his recovery



efforts following Hurricane Sandy in October 2012.

Would Christie ever play that role? A third-party campaign looks unlikely now, but if a debt default leads to another worldwide financial crisis, anything could happen. Christie has good relations with Wall Street, and Wall Street is very unhappy with the Tea Party.

Theodore Roosevelt called himself the Bull Moose candidate in 1912. After he survived an assassination attempt in October 1912, TR told a reporter, "I'm fit as a bull moose." Today, the Bull Moose candidate sounds like a role custom-made for Chris Christie. ■



The Vanishing Mandate

What's behind Washington's dysfunctional politics? Jonathan Cowan, President of Third Way, argues that the vanishing mandate is a key factor. Elections no longer produce decisive mandates for the winners. As a result, it becomes harder and harder for Presidents to govern.

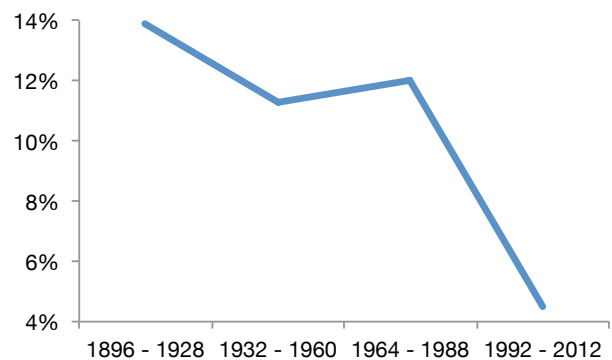
Cowan points to diminishing margins of victory in presidential elections. Before 1992, Presidents often won elections by double-digit margins. Like Ronald Reagan in 1980 (10%) and 1984 (18%). Or Dwight Eisenhower in 1952 (11%) and 1956 (15%). Or Franklin D. Roosevelt in 1932 (18%), 1936 (24%) and 1940 (10%).

Recent elections have produced smaller margins of victory for Bill Clinton (6% in 1992, 9% in 1996), George W. Bush (edged out by Al Gore in 2000, won by 2% in 2004) and Barack Obama (7% in 2008, 4% in 2012).

The trend is striking: big margins produce big mandates. And they just don't happen much anymore.

The Decline of Victory Margins

Average presidential victory margin (popular vote)



Source: The American Presidency Project, University of California, Santa Barbara

Shutdowns and Showdowns

The government shutdown of 1995-96 turned into a showdown between Democratic President Bill Clinton and Republican House Speaker Newt Gingrich. Clinton won. The current shutdown pits Democratic President Barack Obama against Republican House Speaker John Boehner. What's the score?

Pretty similar, at least so far.

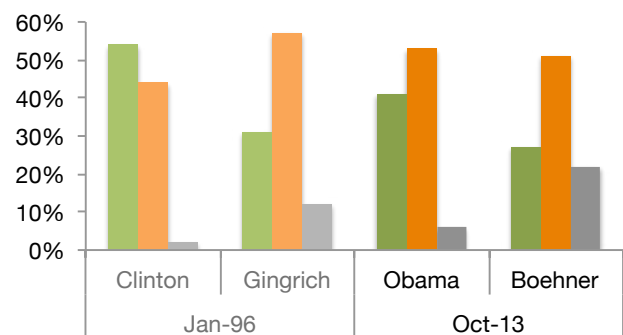
So far, President Obama comes out looking substantially better than Speaker Boehner: 22 points higher in favorability. That's similar to President Clinton's edge over Speaker Gingrich in 1996 (23 points higher). The 2013 shutdown has not done Boehner any more good than the 1995-96 shutdown did for Gingrich. The big difference is that a lot of people still don't have an opinion of Boehner. Gingrich was better known. But not better liked.

There's also a difference between the two Democratic Presidents. Clinton was more popular coming out of the 1995-96 shutdown than Obama is today. That may have to do with the state of the economy. The unemployment rate in January 1996 was 5.6%. The latest figures for 2013 put unemployment at 7.3%.

So did Congressional Republicans learn anything from the 1995-96 government shutdown? Apparently not.

President vs. Speaker

■ Favorable ■ Unfavorable ■ No Opinion



Source: Gallup Oct. 3rd-6th

THE DOMINOES OF DEFAULT 2013



Treasury bond rates rise 0.5%

Lori Montgomery and Brady Dennis, "Treasury quietly plans for failure to raise debt ceiling," *The Washington Post*, April 26, 2011. Available at: http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html.

GDP decreases 1%; Mortgage rates rise 0.5%

Terry Belton, "The Domino Effect of a US Treasury Technical Default", Research Note, J.P. Morgan, April 19, 2011, p. 5. Print.

S&P 500 drops 6.3%

Matthew Craft, "How S&P's warning could actually help U.S. debt," *Forbes*, April 24, 2011. Available at: http://www.forbes.com/feeds/ap/2011/04/24/general-us-wall-street-week-ahead_8432257.html.

U.S. dollar loses special status

Neil Irwin, "The dollar, at risk," *The Washington Post*, May 4, 2011, p. A15. Print.

663,182 jobs lost

Independent Calculation. See William Seyfried, "Examining the Relationship Between Employment and Economic Growth in the Ten Largest States," *Southwestern Economic Review*, 2005, Winthrop University. Accessed October 10, 2013. Available at: <http://www.ser.tcu.edu/2005/SER2005%20Seyfried%2013-24.pdf>; and United States, Department of Labor, Bureau of Labor Statistics, "Table A-1: Employment status of the civilian population by sex and age," Economic News Release, September 06, 2013. Accessed on October 10, 2013. Available at: <http://bls.gov/news.release/empsit.t01.htm>.

Based on information from the Third Way Memo "The Dominoes of Default, 2013" available at: <http://www.thirdway.org/publications/395>. For more about Third Way, please visit our website at www.thirdway.org. Infographic by Bill Rapp.



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