

The 3 R's: The Rovian Revolution Revisited **by Stuart Greenfield, Ph.D.**

After the resounding Electoral College defeat of their candidate, Mitt Romney on November 6, I'm quite sure many Republicans, who expected Bain type returns on their expenditures are now quite dismayed. [Receiving a return of ZERO on their multi-million dollar investment](#) is not a result that traditional free-market focused Republicans either expected or wanted to realize. I'm also absolutely sure that the eminent Republican strategist, Karl Rove, is now questioning why Republicans had not selected another Texan to carry their banner to victory. This knight, Governor Rick Perry, in shining armor should've, could've led the Republicans to [1600 Pennsylvania Avenue](#) and not back to [310 1st St SE in D.C.](#)

Had the KRACK team (David **K**och, Karl **R**ove, Sheldon Adelson, Dick Cheney, and Charles **K**och) known better they should have invested their considerable resources to having nominated and elected a politician whose political tenure governing a state is only rivaled by the President of Russia, Vladimir Putin. Both became head of their respective states in 2000.

Let's explore the implications of the U.S. missing out on becoming more like Texas. What if Americans woke up the first Wednesday of November 2012 knowing that Rick Perry had been elected president and Republicans had swept to super majorities in both the House and Senate.

And what if President Perry and the Republican Congress that took office in January 2013 were determined to make the U.S. look like Texas? President Perry's Extraordinary Economic Programs (PEEPs) would be focused like a laser on reducing the size of government, cutting taxes, cutting social services such as public education, access to health care, and welfare, while renewing the emphasis on individualism and personal responsibility. Attributes beloved, cherished, and worshipped by the KRACK boys.

What if the Republican super majorities in Congress quickly passed laws to implement the President's PEEPs. And what if the U.S. economy responded to the new policies as quickly as Congress passed and President Perry signed these bills into law. By the end of 2013, these policies will have transformed the United States of America into the United States of Texas.

How would the U.S. look then? Initially, the U.S. unemployment rate (8.1%, for 2012) would decline by 1.1 percentage points to the Texas rate of 7.0 percent.¹ The nation might celebrate that more than 1.7 million workers left the unemployment rolls. Unfortunately, over 2 million of the job generated now paid less than the minimum wage, as 8.0 percent of Texas workers, compared to only 5.2 percent of U.S. hourly workers, earn minimum wages or less.² Having a minimum wage job and not being part of the 47 percent was heralded by former Governor Romney as a sterling accomplishment.

Another sobering fact is that the overall poverty rate in the U.S. would increase by almost 20 percent, as the Texas 3-year poverty rate is higher than it is in the U.S. So if the U.S. is to become more like Texas its 3-year poverty rate will increase from 14.8 percent to 17.7 percent.³

The increase of 2.9 percentage points in the overall poverty rate would move almost 9 million more Americans into poverty.

As all Republican candidates called for repeal of “Obamacare,” there was instantaneous repeal of the Affordable Care Act. This legislation, passed in March 2010, would have provided subsidized insurance coverage to 35 million Americans without health insurance starting in 2014. However, as America became more like Texas, the national percentage of Americans without health coverage increased from 15.7 percent to the Texas rate of 23.8 percent.⁴ This would mean an additional 24.9 million, a 51.2 percent increase, in the number of Americans without some type of health insurance. While overall health coverage declined, part of this would be from a decrease of 3.1 million now covered under Medicaid, as the U.S. percentage decreased from 16.5 percent to 15.5 percent, the Texas rate.

Many who voted for President Perry, like “the Donald” had thought that “Barack Hussein Obama is the biggest threat to our children’s future.” They were wrong. Under PEEPs, the child poverty rate would increase from 20.7 percent to the Texas rate of 25.6 percent.⁵ This means an additional 3.6 million children would be living in poverty. And the number of children without health insurance also would increase, with an additional 4.9 million now without coverage.

Candidate Perry had advocated repealing the 16th Amendment, which “allows the Congress to levy an income tax without apportioning it among the states,” in his seminal book, “Fed Up!: Our Fight to Save America from Washington,” The former governor concluded that a faster alternative was available. He proposed legislation, which was instantaneously enacted after he became President that reduced the federal tax-to-GDP ratio from the 9.9 percent rate imposed over the decade in the U.S. to the Texas average ratio of 3.2 percent. With tax collections reduced from \$1.2 trillion to around \$500 billion, just enough revenue to cover the interest on the federal debt and Medicaid obligations. As the “Cut, Cap, and Balance” bill had also been enacted, other federal programs were dramatically reduced.

While tax collections were dramatically reduced, payments to the Social Security and Medicare Trust Funds were not changed, so benefits did not have to be immediately reduced. Expected receipts into the trust fund were sufficient to pay benefits for both Social Security and Medicare until the end of the President’s second term. While neither Social Security nor Medicare was modified, adopting the Texas model did increase the number of seniors in poverty by 734,000. This resulted from the 20 percent increase in the poverty rate for seniors.

Standard and Poor’s was quite impressed with the PEP and raised the U.S. credit rating from double A to sextuple A (AAAAAA). As this was twice the rating of any other country, America would have returned to its rightful place among the world’s nations.

While the Roving Revolution did not transpire, Texans, along with citizens of the other 49 states, did undertake a mini-revolution and [petitioned to secede from the Union](#). One would have hoped the secessionist would have checked with Wikipedia on Texas seceding, as in [Texas v. White \(1869\)](#), Chief Justice Samuel Chase concluded, “the Ordinance of Secession were null and void. The rights of the state itself, as well as the rights of Texans as citizens of the United States remained unimpaired.”

One would hope that “the Karl” will have time to improve his math and demographic skills between now and 2016. Might I suggest the Coursera courses on [Data Analysis](#), and Steve Murdock’s [overview on population change in Texas](#), which is on the forefront on the country’s demographic transition.

¹ U.S. Bureau of Labor Statistics, <http://www.bls.gov/bls/unemployment.htm>

² U.S. Bureau of Labor Statistics, <http://www.bls.gov/cps/minwage2010tbls.htm#3>

³ U.S. Bureau of Census, [http:// http://www.census.gov/cps/data/cpstablecreator.html](http://http://www.census.gov/cps/data/cpstablecreator.html)

⁴ U.S. Bureau of Labor Statistics, <http://www.census.gov/hhes/www/cpstables/032012/health/toc.htm>

⁵ U.S. Bureau of Labor Statistics, [http:// http://www.census.gov/cps/data/cpstablecreator.html](http://http://www.census.gov/cps/data/cpstablecreator.html)