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It is easier for a camel to go through
the eye of the needle than for a rich
man to enter into the kingdom of God.
Mark 10: 25

Holy Owned Subsidiary: Globalization, Religion, and Politics in the 2004 Election

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Abstract:

This paper examines the role of religion in the 2004 US election. Using data from a recent Pew survey and the University of Texas Inequality Project, the paper shows that inequality counterbalances the oft-remarked tendency for richer societies to become increasingly secular. The paper suggests that globalization, by increasing inequality, has contributed importantly to the recent worldwide resurgence of religion. The analysis also points up flaws in "market" models of religion developed by Barro and McCleary and others.

The paper then develops a model of state-level voting in the 2004 presidential election. Using spatial regression, the paper finds that states with high percentages of evangelicals and Mormons were indeed more likely to cast more votes for Bush and Cheney. But the results also show that worshipers of the Golden Calf ("Are you better off today than you were four years ago?") were also highly influential in determining the outcome, as was the decay of voting turnout in states between 1968 and 2000. A particularly striking result is that states that witnessed lesser changes in inequality (as measured by Census Bureau Gini Coefficients) were far more likely to vote for Bush in 2004. In sharp contrast, states such as Massachusetts, California, New York, or Connecticut, which topped all others in their increases in income inequality, went almost monolithically for Kerry. The paper concludes with an analysis of the effects of campaign financing, and particularly the "527s", on state-by-state outcomes.

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Coming to grips with the 2004 election is no easy task. In part, this is because too much is going on in the background. The stunning events of September 11, the bursting of the stock market bubble, and the thunderous split with "old Europe" over Iraq and American "unilateralism," not to mention the run up in world oil prices, the emergence of India and China as major economic powers, and the slowly building dollar crisis have left almost everyone slightly breathless. That the election perhaps set a new record for the gap between mass and elite perceptions does not help: Vast numbers of Democrats clearly voted for their man not only out of the conviction that he was not George Bush, but that he was not John Kerry either – that he simply could not mean what he kept saying about staying the course in Iraq.

But the most profound barrier to understanding the election may well be "cultural" – and the reference here is not to the overblown dichotomy between "blue states" and "red states" or the fact that most Democrats, in or out of Massachusetts, are unlikely ever to start their reflections on public policy by asking "What would Jesus do"? The problem is more fundamental, involving a near complete dissociation between reality and the images of American politics that permeate all levels of American society, including the social sciences.

By now it should be obvious, for example, that some kind of functional system links Fox News, many cable channel public affairs programs, and assorted radio talk show personalities to many major businesses, right wing foundations, and the top of the Republican Party. It ought to be equally manifest that American politics is money-driven politics – full stop. And that the headlong rush to invade Iraq, with its far-reaching consequences for America and the world, was not dictated by public opinion – though the decision to invade certainly did shape subsequent opinion; less, perhaps, through the customary “rally ‘round the flag” effects, than through the deliberate campaign of disinformation designed to spread the false claim that Saddam Hussein was somehow behind 9/11.[1]

Yet, conventional political analysts rarely acknowledge these elemental features of the current political landscape. Instead, many increasingly retreat into fantasy. Not long after the GOP’s Golden Horde swept George W. Bush to power in 2000, for example, three MIT scholars brought out a paper denying that money was so important in American politics. In the midst of the most extreme “right turn” in public policy since the early Reagan years, the authors asserted that most individuals who donate to political campaigns should not be suspected of some tinge of self-interest. Instead, they claimed, “campaign contributing is a form of consumption, or in the language of politics, participation.” Never mind that their analysis contained serious errors of fact and logic – it was immediately picked up by the National Bureau of Economic Research and then hurried into print at the *Journal of Economic Perspectives*. Soon Princeton economist Alan Krueger was touting its claims in the *New York Times*, while George Will was admonishing Justices of the Supreme Court to read it before ruling on the McCain-Feingold campaign finance reform cases.[2]

Similarly, works portraying the American “macro polity” as a wondrous servo-mechanism, in which elections guarantee fidelity to public opinion, are now extolled as models of social science method. During the campaign, the chronic tendency to see public opinion as driving public policy produced vignettes that bordered on the absurd: In the weeks before the election, for example, the Chicago Council on Foreign Relations released a large scale study of public opinion on foreign policy. As many commentators noticed, the contrast it implicitly drew between the Bush-Cheney foreign policy and what the populace wanted was glaring. But by then the whole question was "academic" in the most poignant sense.[3]

Election Day itself brought the crowning irony. For decades, the notion of a dramatic party "realignment" that could fundamentally reshape American politics in lasting fashion had functioned as a widely shared organizing concept among historians, political scientists, journalists, and even many politicians. By 2004, however, the very idea of such "realignments" had become passé. Inside the ivory tower – if definitely not in the White House – realignment theory was now the butt of jokes and ridicule, with leading political scientists openly demanding that the whole concept be abandoned.[4]

But as the votes were tallied – at least most of them[5] – it became obvious that the 2004 election displayed many of the hallmarks of a classic "realigning" election. A single major party won control of the Presidency and both houses of Congress, after an extraordinarily intense campaign in which sharp issue differences – at least at the mass level – were evident. With voter registration in many states soaring at rates last seen in the halcyon days of the New Deal, voter turnout rose by an astounding five percentage points – the equivalent, in politics, of a glacier suddenly sliding a couple of miles. The winning party also broadened its support in most areas of the country.[6]

In politics, as in the rest of world history, the owl of Minerva takes flight only at dusk. Only time alone will tell if, as Jie Chen and I suggested almost a year before the balloting, the 2004 election becomes an integral part of a realignment process.[7] Still, the election is clearly fraught with weighty implications for both the United States and the world. Efforts to understand what really happened and why are therefore well worth undertaking.

Alas, a full analysis involves inquiries too broad for this paper. For reasons of time and, above all, space, it is necessary to lay aside many of the largest questions, or answer them summarily. In the mid-nineties, for example, advocates of globalization were trumpeting a "New World Order" in which countries where McDonald's flourished supposedly never bombed each other. Less than a decade later, the theory is hamburger: The country with more McDonald's stands than any other invaded a country that had not attacked it and was claiming the right to attack anybody it suspected of hostile intentions.[8]

What, precisely, explains this turnabout? The obvious response – that while Iraq had no McDonald's, it did have oil – initially appears to beg almost as many questions as it answers: The jump from Dick Cheney easing the entry of American oil companies into Kazakhstan as a member of that country's Oil Advisory Board in the nineties to his championing the entry of American oil companies into Iraq at the point of a gun a few years later qualifies as an historical leap from quantity to quality if ever there were one.[9]

The same reasons of time and space require that, for once, I set aside most consideration of who paid for the election and why. This is not because the question is not the central fact to understand about any election, but because the post-election discussion in the United States has raised a fresh set of issues that promise to cloud public reflection for a long time to come. These have to be dealt with first, if anyone is to see anything clearly.

That set of issues concerns not money changers, but the temple. Put simply, how important was religion in the Republican sweep? Can it really be true that conservative "values" swamped the influence of the economy and flawed foreign policies in American politics? If so, then what are the implications for the future of American politics?

How Exceptional is American "Exceptionalism"?

It is instructive to begin the analysis by posing these questions in a comparative perspective. The resurgence of religion around the world in the last several decades has been widely noted. Let us bracket the vexing question whether the free market fundamentalism that seized Anglo-American policymakers and elites during the late nineteen seventies and then diffused around the world under the tutelage of the US Treasury and IMF belongs here or not.[10] It is apparent that political conflicts with obvious religious bases have mushroomed in many parts of the globe. In many, though far from all countries, religion has also made a notable comeback as a mode of popular understanding. Sympathetic interest even among elites has been growing, while a whole school of social scientists, of which Robert Barro and Rachel McCleary are perhaps the best known, now promotes a "market" analysis of religion and insists on the importance of the phenomenon for understanding economic growth.[11]

The irony is, of course, that as Yahweh, Allah, and Jesus loom ever larger in the consciousness of many cultures, their legendary rival, the Golden Calf, has been born again. In the form of the Merrill Lynch bull, it now thunders triumphantly through the kingdoms of this world. The globalization of financial markets, and of many, though far from all, other markets is perhaps the outstanding theme of contemporary social analysis.[12] Not only in the advanced countries, but in much of what used to be styled the

"Third World," consumption, with its newly resonant associations of "freedom" and "choice," has become, virtually, sacred. In Tokyo, New York, Paris, Mexico City, or Shanghai, the mall or its local cognate functions as a kind of church, increasingly open even on the Sabbath. If the lively anticipations of some sects whose members stoutly supported the reelection of George W. Bush are ever realized and Moses suddenly returns to this earth, he will have no trouble figuring out the whereabouts of the idols most in need of smashing.

Is it possible that globalization and this resurgence of religion are somehow linked? If so, then cross-national evidence about the strength of religious convictions might throw light on the US case, where as many have noted, religious feeling has long been uniquely strong and persistent.

The answer is indeed interesting.

In December, 2002, the Pew Research Center for the People and the Press released the results of a 44 nation survey of religious attitudes. One of its questions asked respondents to assess how "important religion is your life" and offered them four choices: "very important, somewhat important, not too important, or not important at all."

The differences between countries were extraordinary. Like many previous surveys, the Pew analysts ended up deeply impressed by the singularity of the United States. "Religion," they reported, "is much more important to Americans than to people living in other wealthy nations. Six in ten (59%) people in the U.S. say religion plays a *very* important role in their lives. This is roughly twice the percentage of self-avowed religious people in Canada (30%) and an even higher proportion when compared to Japan or Western Europe. Americans' views are closer to people in developing nations than to the publics of developed nations." [13]

The survey amplified this last remark by a pictorial rendition of the time honored "secularization hypothesis," according to which rising incomes lead to long term declines in religious feeling. An accompanying figure plotted the percentage of the population with strong religious feelings against per capita income. The result was familiar, if now occasionally disputed, in the literature on religion and society: A straight line ran diagonally down from left to right, showing the clearly negative relation between these two characteristics. Far out on the axis for income, a single data point glowed high above the regression line like the evening star: the United States, the great outlier, both very rich and exceedingly religious.

The Pew study's survey data can be analyzed further. Taking the percentage of the population of different countries which rated religion "very important" as what needed explanation, I combed through variables that promised to close up, or shed light, on the gap between the US and the rest of the advanced world in a properly specified statistical model.[14] It may help to explain that I consider most of what passes for the sociology of religion to be insufficiently historical. Tawney's version of the famous thesis of Max Weber, linking Protestantism to the growth of capitalism seems quite plausible. Something like the process he described appears to be occurring today on a much smaller scale in parts of Latin America and even the Chinese diaspora.[15] At the same time, after four hundred years, Catholicism and many other religions, including many in the East that prior to the Asian "miracle" were often instanced to explain slow growth, have clearly adjusted. Certainly, the record of post-war growth in Italy and some other Catholic countries, not to mention the history of relations between the Vatican and any number of people and institutions whose strategies betrayed doubts that the meek really stood to inherit the earth, such as the Banco Ambrosiano, J. Peter Grace, or even Francis Cardinal Spellman, suggests that much has changed since Pius IX famously denounced the idea of progress in his 1864 Syllabus of Errors.

While countries are the basic unit of analysis in this study, they all occupy definite stretches of geography. Since the countries in the Pew sample are scattered around the world, it did not make sense to estimate formal spatial models; instead I checked to see if controls for continent or Catholicism or Protestantism mattered. I also examined whether painful existential facts such as short life spans, poor health, illiteracy, or the treatment of women perhaps influenced outcomes. The variable that interested me the most was one that has in recent years received scant consideration in this context: economic inequality. After weighing alternatives, I settled on the University of Texas Inequality Project's Estimated Household Inequality Index as best for my purposes. The spirit of Weber, common sense, and claims in the current literature all suggested that two-way causality between religion and the level of economic growth (GDP per capita) was a distinct possibility. A Hausman test, which is a formal econometric test for this possibility, confirmed these suspicions, so I used a two stage least squares instrumental variable regression instead of ordinary least squares. To save some hand wringing about normal distributions, I estimated the final model with the Huber-White "sandwich" estimator, which produces hetereoscedasticity-robust standard errors.[16]

Table 1 displays the results. They indicate that the secularization hypothesis, which has been widely questioned in recent years, remains intact – rising GDP per capita does still correlate with lower interest in religion. But it is also easy to see why, in an age of headlong globalization and rising inequality, many researchers now have trouble picking up the trend: Inequality appears to push in exactly the other direction, sharply increasing the population's readiness to embrace religion. It also appears that, as Barro and McCleary suggested, post-Communist countries exhibit unusually low levels of religions feeling. Religious feeling in underdeveloped Latin America, though high by world standards, also appears to be somewhat less than one might expect, other things equal. Some variables considered important by proponents of the religious "market" hypothesis are not significant in this dataset, including Barro and McCleary's Herfindahl index of religious pluralism ("competition") and their indicators for the presence of state religion and the state regulation of religion.[17]

Table 1 About Here

While the US remains something of an outlier, these findings have important implications for the long debate about American exceptionalism. They raise the possibility that Tocqueville, in his celebrated reflections on the prevalence of religion in America, perhaps missed the point: Visiting at the height of the 1830s "market revolution," as American economic inequality rose to unprecedented levels (by comparison with the colonial experience, not European standards), he failed to perceive how all the public talk about religion disguised the advance of the Golden Calf.[18] Now that 1989 is history, we can perhaps contemplate with more equanimity the possibility that Karl Marx's famous remark about Locke supplanting Habakkuk is closer to the mark.[19] And we could perhaps even consider whether, in an age in which opium and its derivatives are widely available, the opium of the people still, in fact, may not be opium at all.

But these are questions for another day; this paper has to hold its focus on the 2004 election. And here the regression results point to a striking possibility. They are cross-sectional in nature; they do not testify directly about what happens over time. But it is no secret that inequality in America has increased enormously over the last forty years. Could the 2004 election perhaps reflect the workings of a closed loop, in which Republican (and conservative Democratic) economic policies first help run inequality up, thus fanning the strength of religious feeling, and thereby strengthening conservative forces in both parties, but especially within the GOP? Could globalization thus be directly driving the realignment of American mass politics? (It is apparent that globalization indirectly drives political realignments through the impact of merger waves on investor blocs; see Ferguson and Chen, 2004.) Such questions suggest that the first priority in analyzing the 2004 election is to produce a nuanced, quantitative answer to the now famous question about how in recent years religion has so often seemed to trump economics – "What's the matter with Kansas"?[20]

Not in Kansas Anymore?

Because several competing modes of analysis are widely employed in tackling problems such as this, it is worth pausing for a moment to consider which might be the best given the data available. Ever since the advent of mass social surveys, most social scientists have usually answered such questions by reference to national-level opinion polls. In recent years, however, many have also taken states as a unit of analysis and evaluated various models of why outcomes differ at that level.

In part, this newer tendency reflects the practical problems facing major party campaign strategists who talk to the press. Given the closeness of recent Presidential elections, they have had to focus sharply on the best ways to gain majorities in the Electoral College. But it also reflects the availability of data that promise at last to offer some usable, if not necessarily perfect, answers to questions that both analysts and many citizens are increasingly asking.

In decades past, the dominance of the nightly evening news programs of the three major national television networks made it easy to assume a universal, almost homogenous, popular understanding of campaigns and elections. With many regional differences in answers to polls closing up, it seemed only natural for someone interested in, say, political business cycles, to employ national average data to analyze the economy's effect on voting. Despite clear warnings, most analysts did not bother to check which newspapers respondents in national polls actually read, to see if it made any difference.[21] In the face of even clearer warnings, analysts typically neglected the influence of state level "regimes" on voting turnout or union strength (where Taft-Hartley's famous provision 14b made states crucial actors).[22]

Save in some studies of southern politics and congressional races, questions about macro-level filters and variables that might influence mass politics in particular areas received short shrift. (The practice also made the South look odder than it probably was.)

Since the eighties, however, the assumption of a single national political culture has become increasingly tenuous. Especially once the lawsuits contesting the FCC's landmark rejection during the Reagan years of the "Fairness Doctrine" were lost, it became obvious that regulatory changes, new technologies, and the growth of corporate super-giants were revolutionizing the broadcast industry. Increasingly indiscernible from the rest of the often fabulously profitable "entertainment industry," Fox, many cable channels, talk radio, Clear Channel Communications, and the internet together have shattered the dominance of the major networks. Evidence also suggests that large segments of the population, especially younger people, have almost stopped listening to establishment media. The newer media have, accordingly, led the way in exploring much wider possibilities for mixing entertainment, commercials, and other diversions into political "news." The older networks have, sometimes grudgingly, at times gleefully, followed.[23]

As the poll evidence that three quarters of the President's supporters in the 2004 election believed that Saddam Hussein was involved with 9/11 or the eerie unanimity that prevailed on the airwaves as the government cranked up public opinion before the invasion of Iraq both testify, this does not preclude remarkable demonstrations of cooperation between Big Brother and the Holding Companies when all the chips are down.[24] But at less cosmic levels, the net effect is probably to reinforce a tendency toward segmentation and local "political climates." Newspapers and local broadcast stations matter, especially when the latter make their choice of national programs such as Rush Limbaugh's talk radio show.

Studies of the 2000 Presidential campaign also indicate that in the midst of all this fragmentation, the fabulous growth of expenditures during Presidential campaigns on ads was transforming the *major parties themselves*, and especially the Republican party (which in recent years had outspent the Democrats by substantial margins) into culturally unifying forces in at least battleground states where they concentrated most of their spending.[25]

For this paper, the methodological implication seems clear: Despite the airy quality of most discussions of "red states" and "blue states," the method of concentrating on states offers something useful. In the absence of data required for true "multi-level" models that would integrate data about individuals with "macro" level determinants, it makes perfect sense to supplement the results of national polls and more conventional approaches with analyses of state-level data. This is particularly the case in Presidential elections, where the Electoral College makes states real units of intentional action by parties and financiers. As long as one remembers the yellow flags that always wave in the background when one considers aggregate data and cross-level analysis, there should be no insuperable difficulty.[26]

Explaining The 2004 Election

How best then to construct the model? However popular, simply contrasting red states vs. blue states is not an attractive option. Heterogeneity within states is substantial and should not be neglected; in addition statistical considerations make it opportune to work with continuous data rather than sharp dichotomies. Accordingly, I take the percentage of the total presidential vote that Bush received as the variable to be explained. Diehard advocates of blue state – red state contrasts can think of this as representing varying hues of "purple."

How to proceed after that is almost, but not quite, straightforward. One searches out variables that might help explain this outcome. There is, however, a catch. The states all occupy definite patches of space. Some are neighbors; some are not. It is now well know that data of this sort commonly display what is known as spatial autocorrelation. In plain English, this means that Maine, Massachusetts, and Connecticut are likely to look more like each other than Texas. The implication for statistical analysis is that the trio of data points might yield less information than if the three entities really were independent in a statistical sense. The standard test for this is a Moran test. Its results indicated the presence of substantial spatial autocorrelation. It is therefore necessary to employ spatial regression techniques. One cannot make the case by means of ordinary least squares regression, the stock in trade of political scientists and journalists.[27]

Obviously, spatial autocorrelation is far from the least of the hazards that inquiries of this type confront. They always have to navigate past the Scylla of multicollinearity – the co-appearance of possible causes, such that they are difficult or impossible to pry apart statistically – while avoiding the Charybdis of failing to test variables that really matter.

But the result is worth the effort. Table 2 displays the final spatial regression equation. Four variables appear to account for the outcomes in various states.[28] The first concerns the answer to what might be termed the "Golden Calf" question and has been a very powerful predictor of support for incumbents or, *mutatis mutandis*, challengers in elections past: "Compared to four years ago is your family's financial situation better today, worse today, or about the same"? In the 48 separate state polls that I canvassed to obtain this number for the dataset, overwhelming percentages of those who answered "better today" invariably cast their vote for the President. Differences between Mormon Utah (89% for Bush, 10% for Kerry), battleground Ohio (87% for Bush, 13% for Kerry), heavily evangelical Tennessee (87% for Bush, 12% for Kerry) and a presumptive den of iniquity such as California (76% for Bush, 22% for Kerry) are not large. If the Golden Calf had smiled on the voter, he or she favored Bush by lopsided margins. The opposite lurch in Kerry's direction among those who answered "worse" was almost equally one sided, though slightly more ragged.

Table 2 About Here

Prior to the election, several accounts suggested that the economies of blue and red states differed substantially. It is interesting to note the sizeable variations among the states in the overall percentages of voters answering "better." This probably taps real variation in state economic conditions. It probably does not reflect much of an impulse by voters to bring their view of their pocketbooks in line with their presidential preferences – most state polls carried a separate question about how the voter viewed the condition of the economy.[29]

By themselves, these results indicate the hollowness of claims that values determined the presidential election, unless by values one also means "money." They make it perfectly plain that the Bush campaign had good reason to time the receipt of the refund checks from the tax cuts and otherwise crank up its "political business cycle." The findings also show up claims, such as that put forward by Democratic National Chair Terry McAuliffe as he stepped down after the election, that by itself 9/11 doomed the Democrats. (As a further test of such claims, I checked to see if responses to questions on terrorism in the state polls improved the final model; they did not.) [30]

Perhaps the most valuable service of these results, though, is to help zero in on where conservative "values" and religion mattered. Nationally, voters who said their family's finances had improved made up 32% of the total electorate. Voters who described their families' finances as worse comprised 29% of those who voted. Given the strong link between these numbers and the final vote, it is obvious where "values" probably mattered most: Among the 39% of voters who said their financial state was "about the same." [31]

This brings us at last to the answer to the mystery of what's the matter with Kansas (and every other state). Forget all blood and soil nonsense about the mystical nature of the "South" or post-election noises about the "white fertility rate." (Neither add anything to the regression.[32]) Instead, focus on the following: Firstly, evangelical Protestant church membership (taken to include Mormons) across states is strongly predictive of a higher Bush vote.[33] This shows clearly in the regression results. Despite much noise and hard work by Republicans and many Catholic bishops during the campaign, adding Catholics does not improve the prediction. (A glance at the national polls shows why: Catholics were much more likely to vote for Kerry than white Protestants.) [34]

But another powerful economic factor also appears to be at work – one which puts the electoral meaning of religion in 2004 in a new light. Whatever one's views about the effects of globalization on income distribution in the world as a whole, there is no doubt that the net effect of the economic policies that accompanied globalization in America has been to increase inequality steeply.[35] This is obvious if one calculates the change in income inequality among the states between, say, 1969 and 1999. Taking Census Bureau data on state Gini coefficients for the distribution of income in those years as the measure, income inequality increases in every state – no surprises there. But states differ sharply in the rates at which inequality has increased. States that witnessed lesser changes in inequality, such as Kansas (the eighth lowest) were far more likely to vote for Bush in 2004. In sharp contrast, states such as Massachusetts, California, New York, or Connecticut, which topped all others in their increases in income inequality, went almost monolithically for Kerry.

Republican campaign propaganda customarily portrays the liberalism of these states as the product of aloof elites. There might be something to this, since in 2004, as in other recent elections, investment bankers and telecommunications companies are over-represented among the party's large donors. (My 2004 data also show insurance companies to be over-abundant, of which more another time.)[36] But the data on Gini coefficients suggest that at the mass level, in states with large increases in inequality, the shrinking middle classes may turn against Republican policies as well. In any event, the GOP lost virtually all of these states.

One final variable also helps predict a high Bush vote. As Walter Dean Burnham has long emphasized, voter turnout varies sharply across states. Recent quantitative work underscores his admonition that this variable also has important effects on policy.[37] In 2004, state voting turnout regimes appear to have had significant effects on the outcome. As Burnham has observed, turnouts have generally been declining for decades in the US as a whole. In certain parts of the Northeast and Midwest, off year election turnouts frequently bear a strong resemblance to those of the Federalist era, when property suffrage limited voting. Given recent statistical evidence that 1968 marked the end of the

New Deal system, I calculated the size of the decline between 1968 and 2000 and then tested to see if it affected outcomes.[38] The result is simple. It is also pure Burnham: The greater the decline in turnout over the course of what I will refer to, (perhaps prematurely) as the last party system, the better Bush did in the 2004 realignment.

Conclusion: Limits To Republican Hegemony?

Viewed from a global perspective, the outcome of the 2004 election looks less "exceptional." Given the high levels of income inequality in American society, it is not surprising that religion plays a major role in public life. Get over it: A country with a distribution of income that increasingly resembles that of a developing country is going to have politics akin to one, too.

But the influence of conservative religious values arises out of definite social and economic conditions, and a luminously clear political context. In the boom years of the nineties, secularization increased and traditional religion declined: The percentage of Americans identifying with some religion dropped from 90% to 81%, while the percentage of those attached to any form of Christianity fell from 86% to 77%. The percentage of those declining to answer questions about religious preference (hardly the hallmark of profound commitment), also doubled to just over 5%.[39] As even a casual acquaintance with the outpouring of popular literature idolizing (the term is carefully chosen) CEOs as cultural heroes will confirm, the Golden Calf was running rampant.

Save for a few years near the end of the boom, however, income inequality, not to mention wealth inequality, rocketed upward. By 1999, the compensation of top executives was 419 times that of hourly production workers, up from a ratio of approximately 25 to 1 in the late sixties.[40] As I observed in an earlier work critical of "median voter" models of politics, the historical experience of democracies is clear: Political parties dominated by elites cannot campaign on making the rich richer.[41] They invariably change the subject: To "freedom," arguments about who really "deserves" help, race, religion, patriotism, marriage, gun control – anything that looks plausible at the time. As Thomas Frank has documented most persuasively, from this imperative arises the whole venomous discourse that now fills American political commentary. They also serve, who only stand and bait.

It is a commonplace that it is not we who possess values, but they which possess us. It is silly to think that the Republican Party and conservative Democrats who have bought control of the "opposing" party make people religious, save in the sense that their policies promote this in the long run. But if elites keep insisting that "there is no alternative," as Wal-Mart transforms heartland downtowns into ghost towns, jobs flow overseas, imports pour in, and much of industrial and agricultural America wither away under conditions of long term exchange rate overvaluation and chronically insufficient effective demand, then it should come as no surprise if large numbers of people begin longing for saviors not of this world.[42]

The account of the 2004 election put forward here, however, suggests some definite limits to this process. The election provided a dramatic test of the investment theory of political parties. John Kerry and virtually the whole of the Democratic establishment opposed the anti-war candidacy of Howard Dean. Though I lack the space to develop the point, this is hardly surprising, given that top executives from major defense and aerospace firms such as Raytheon and Loral were early Kerry contributors. Some major financiers, such as George Soros, however, were sufficiently disturbed by the Bush administration's policies that they did not shrink from contributing to Dean's campaign.

But when the rest of the party ganged up on Dean and his campaign collapsed (thanks in part to a mysterious set of TV ads paid for by contributors who were reluctant to identify themselves but had close ties to the Democratic leadership), the strongly anti-Bush financiers rallied behind Kerry. Soros, insurance executive Peter Lewis, and a comparative handful of other donors made huge contributions to so-called "527" organizations.[43]

These were fundraising entities not formally connected to any major party or campaign and exempt from the fundraising limits imposed by the new McCain-Feingold campaign finance law. But there are 527s and there are 527s. It was not difficult to see that some of these, such as the Democratic Governor's Association or the Democratic Attorneys General Association flourished only a very short "arm's length" away from party officials. Most of these, like the leaders of the business-oriented New Democratic Network, had for years been paying lip service to the idea of registering new voters and trying to raise turnout. But virtually nothing had happened; the talk of new voter registration had always stayed mostly that, just talk. A fair number of party leaders, indeed, had helped sabotage various initiatives designed to sign up large numbers of new voters. The Democratic Party mounted "get out the (existing) vote" drives. It did not stage massive efforts to register new voters.

During the campaign, a substantial number of businesses made donations to 527 organizations. While most gave substantially more to Republican oriented 527s (and many donated only to these), a fair number of large firms also contributed at least some money to Democratic-oriented 527s. But only of a certain type.

A close look at the data shows a remarkable pattern. Through approximately the end of October,[44] virtually *all* of the money donated to Democratic oriented 527s by the biggest businesses in the United States went exclusively to the conservative, establishment "official party" 527s like those just discussed or to the New Democratic Network.

In sharp contrast, donors such as Soros or Lewis made occasional contributions to these organizations. But far more of their money went to more venturesome 527s, such as MoveOn.org, or the Media Fund. In effect, a second party was coming to life inside the moribund shell of the official Democratic Party. This second party depended on Soros and other anti-Bush financiers, who were far from supporting Ralph Nader or Dennis Kucinich, but who favored policies well to the left of the Democratic establishment, including Kerry himself. When the organizers of this second party turned up in the battleground states, they did not begin by checking in with the local Democratic county chair to see if it was O.K. to register new voters. They just did it – in at least one case broadcast over National Public Radio during the campaign, venturing out to Skid Row to sign up potential voters.

It was clearly this second party within the party that made the election as close as it was. The gigantic Republican counter-mobilization, which included the organization of GOP-oriented 527s and major efforts to mobilize likely conservative voters on a carefully targeted basis, narrowly pulled the President through. The relatively close margin however, has an interesting implication.

At the time Senator John McCain finally came out for the reelection of President Bush, the two men appear to have reached an agreement to try to more severely regulate 527s. If the Republicans succeed in regulating 527s out of existence, or even seriously crimping them, then the next Presidential election is likely see a sharp fall in the Democratic percentage of the total vote, as Jie Chen and I projected in our paper that discussed the possibility of a 2004 realignment before the election.[45]

But if they do not, then American politics might soon resemble the famous parable of the frog. If a frog is dropped into boiling water, then it quickly jumps out. If, however, the water temperature rises only gradually to boiling point, then the frog waits too long to jump and gets cooked. The change in the Gini coefficient for income inequality in this paper's model of state presidential voting may function analogously. States where income inequality rose sharply virtually all went Democratic. In states with less extreme swings, talk about values was potent, as the GOP intended. In the event the "opportunity society" President Bush promises for his second term actually delivers enough goods, the status quo could maintain itself or even improve. But the current account deficit is now almost out of control. Federal deficits are expanding beyond the dreams of the most ardent Keynesian. The President is heralding the partial privatization of Social Security, which is guaranteed to produce what is has elsewhere – vast sums diverted in fees to financial houses and growing ranks of the elderly poor.[46] With vast cuts in domestic spending in the offing, the United States is hemorrhaging blood and treasure in its forlorn effort to "democratize" the Middle East and stabilize the Caucasus, while the major powers in those regions raise the price of oil and Russia revives.[47] All over the globe anti-American sentiment is mushrooming.

It would be going too far to say that the handwriting is already on the wall, but one scarcely needs to be an evangelical to see faint signs of the Last Days. It is possible, as some despondent Democrats all but said out loud after the election, that the frog is already parboiled. And anyone aware of what the rapid growth of large numbers of “non-immunized” citizens has meant in past periods of political convulsion might worry about the many younger Americans who have tuned out of politics and history.[48] But wait a while. All over America – even in Kansas – the real heat is only now coming on.

Table 1

Two Stage Least Squares Instrumental Variables

Regression Equation Predicting Percentage of Population Ranking Religion

"Very Important"

1st Stage (Instrument for GDPPC2001 is LATINDX)

GDPPC2001 = 15284.61 – 305.5815 INEQUAL + 5.8278 LATAM -9434.293

POSTSOV + 24707.29 LATINDX

Number of obs = 37
F(4, 32) = 17.34
Prob > F = 0.0000
R-squared = 0.6843
Adj R-squared = 0.6448

2nd Stage

RELIGIONP = 38.4335 -.0027GDPPC2001 + 1.1344 INEQUAL -14.3285 LATAM

-38.4335 POSTSOV

All terms in 2nd stage equation except two are significant at .00 level; INEQUAL is significant at (.148); the constant is not significant. Calculation is for heteroscedasticity-robust standard errors.

Number of obs = 37
F(4, 32) = 55.19
Prob > F = 0.0000
R-squared = 0.8263

Variable Definitions and Sources:

RELIGIONP = Percentage of those saying religion is "very important" in their lives, from (Pew Project, 2002, 1-3)

INEQUAL = Gross Household Income Inequality, University of Texas Inequality Project EHII2.3 (Dec. 04) – Gini index, expressed as percentage

POSTSOV = Dummy variable, former communist regime = 1, Otherwise 0

LATINDX = Instrumental variable for GDPPC – Latitude, from Sachs dataset, physfact.dta; www2.cid.harvard.edu/ciddata/Geog/physfact.csv Transformed after (Hall & Jones, 1999, 83-116), p. 101.

GDPPC = GDP per capita 2001, from (Maddison, 2004) This study took great care to adjust its GDP figures for problems of international comparison.

LATAM = Dummy variable, Latin American country =1, Otherwise 0

Table II

Spatial Regression Predicting Bush Votes Across States

Spatial Regression (Conditional Autoregression)

BUSH = 18.07 + .92 FINPOSBETT + .27 CHTURNOUT + -87.57 CHGINI9969 + 3.06

NATLOGEVGM

All the coefficients are significant at .00 level.

Moran Test for Spatial Autocorrelation of Residuals is not significant:
Correlation = 3.701e-4
Normal p-value (2-sided) = .81

Variable Definitions and Sources:
BUSH = Percentage of total state presidential vote cast for President Bush
FINPOSBETT = Percentage describing family financial position as better, separate state election day polls conducted for TV networks and AP by Edison Media Research/Mitofsky International, as posted on website, Washington Post
CHTURNOUT = Change in voter turnout, 1968 – 2000; voter turnout figures from Walter Dean Burnham; larger number implies turnout decline is bigger
CHGINI9969 = Change in Gini coefficient (expressed as a decimal) for income inequality in state, 1969 to 1999; data from U.S. Bureau of Census; a larger number implies greater inequality
NATLOGEVGM = Natural Log of Percentage of Population who are Evangelicals or Mormons, from (Jones, 2002)
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Notes

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To economize on space, footnotes will, as far as possible, be collected and placed at the end of paragraphs.

[1] On the media, perhaps the best general treatment is Brock, 2004, but see also the excellent discussion in Barker, 2002. The latter's emphasis on "heresthetic" (value) appeals misses the important point stressed by Thomas Frank, that a description of America as run by "liberal elites" is basic to the message of Rush Limbaugh and most other conservative talk radio hosts. This is a factual claim. Cf. Frank, 2004. For the money-driven character of the US political system, see, e.g., Ferguson, 1995.

The last Gallup Poll, conducted before just before the President's ultimatum to Iraq in advance of the order to attack showed 50% of Americans opposed the US proceeding without submitting a new resolution to the UN; only 47% of respondents supported the policy the White House actually pursued. After the President spoke, of course, the familiar "rally round the flag" dynamic took hold. Polls at the time indicate that the public anticipated a "splendid little war." See Gallup Poll Tuesday Briefing, March 17, 2003, 19-20; and March 18, 2003, 21-2. For a detailed discussion of Iraq's irrelevance to 9/11, see Clarke, 2004, but also United States, 2004, p. 97. For a blunt warning of what might well go wrong delivered months before the attack, see Thomas Ferguson and Robert A. Johnson, "Oil Economics Lubricates Push For War," Los Angeles Times, October 13, 2002. As was widely noted, Vice President Cheney repeatedly attempted to link 9/11 and Saddam Hussein during the campaign. See, e.g., James Gerstenzang, "Cheney Presses Hussein-Queda Link," Los Angles Times, Oct. 3, 2004; the article ran also in the Boston Globe, from the website of which my reference comes.

[2] Ansolabehere *et al*, 2003, 105-30; Alan Krueger, "Lobbying By Businesses Overwhelms Their Campaign Contributions," New York Times, Sept. 19, 2002, C2; George Will, "Campaign Donations an Issue of Participation, Not Corruption," Chicago Sun Times, Dec. 29, 2002, 38. Ansolabehere, *et al.*, consider issues arising from the so-called Tullock Paradox, according to which marginal cost pricing ought to lead to higher levels of contributions than one sees. This problem is of real interest, but some of their key claims

are easily falsifiable. First, if playing the game is really the thing, then the probability of winning should not influence the players. That is, if "participation" truly were the motivation for most contributions, then money should not abruptly stop flowing to losers after sudden reverses; nor should lucre rain on winners. Yet as the 2004 Democratic primaries demonstrated anew, both of these happen frequently. Dean's money dried up, while Kerry received an enormous fundraising boost from his Iowa win. The frequently made comparison between supporting a candidate and supporting a sports team is not a good one, as any Boston Red Sox fan could have told them. A politician who lost as consistently as the Red Sox would be begging in the streets for money; in baseball, they come anyway – and many glory in the obvious irrationality. While this occurs in politics, too, it is eccentric and not the heart of the phenomenon.

The paper's invocation of lobbying as a partial answer to the paradox is old hat; my Ferguson, 1992, 1060-84 is perfectly clear that lobbying expenditures vastly exceed campaign contributions (and has a rather more realistic assessment of by perhaps how much). The paper also needs to take more seriously the fact that the players are bidding against each other. Because this affects the chances of winning, it should often operate to lower sharply what rational investors would be willing to pay.

This paper and the rest of the neo-classical literature on the "market for campaign contributions" overlook two more fundamental issues. Firstly, the "market" for campaign contributions is not like other markets. Purchases and sales cannot be enforced in court. This "property rights" issue has profound consequences and certainly affects equilibrium prices. Secondly, nobody should rationally be willing to pay more than the replacement costs of representatives. These can be formidable, but they are rarely as large as the magnitudes envisioned in the paper. The issue of what equilibrium prices should thus be is well worth discussing, but is too large for this paper.

Empirically, the paper also makes serious data errors. First, opposing "individual" contributions to corporate money in the way the paper does is silly. Many "individual" contributions come from business figures whose organizational interests and ties are every bit as institutional as any corporation's. This is particularly the case for contributors from hedge funds, who often contribute enormous resources – frequently running into six figures – but whose legal forms of partnership facilitate an appearance of isolated personal contributions. The paper's analysis of national party funds over time makes a critical error – it does not realize that until late in the twentieth century, formal national party funds represented but a small portion of total monies expended. For example, Republican finance committees from counties outside of New York City used to raise enormous funds that often went to national campaigns. Within the city itself, local party expenditures during presidential years soared. But unless someone made a formal transfer to the national committee, the funds went unrecorded at the national level. See the discussion of 1936 in Ferguson, 1995 and across American history as a whole in Ferguson, 1992, 1060-84. A striking account of late 19th century Gotham politics is Ivins, 1887, see esp. p. 81; at that time New York City did almost everything on a bigger scale than the rest of the US, but it was certainly not unique. The paper's regression on trends over time is a pure artifact.

The paper's idea that the marginal campaign dollar comes from small individuals – if it came from big investors, its point collapses – is not a good one. While the issue of "retail" and "wholesale" contributions to parties is complex, consider the discussion of 527s below. In 2004, one is tempted to pronounce someone like George Soros the "marginal" investor. For a much more realistic assessment of what the Bush war chest meant for the 2000 election, see the discussion below on how the Bush ad blitz swamped Gore's spending in the battleground states in the closing days of the campaign.

[3] Erikson *et al*, 2002; for the Chicago Council on Foreign Relations study, which quite undermined any "macro polity" view, see, e.g., Farah Stockman, Boston Globe, "Many At Odds With Bush Foreign Policy, Survey Indicates Majority Disagree On War, Treaties," Sept. 29, 2004.

[4] Mayhew, 2002; see the discussion in Ferguson & Chen, 2004.

[5] The irregularities were large enough to stimulate an investigation by the General Accounting Office; this paper simply cannot enter the controversies here.

[6] The turnout estimate comes from Walter Dean Burnham. For the surge in voter registration, see Kate Zernike and Ford Fessenden, "As Deadline Hit, Rolls of Voters Show Big Surge," New York Times, Oct. 4, 2004. Note that non-"battleground" states did not necessarily share in this surge; the lesson is surely that mobilization efforts are required for turnout to rise even in high stimulus elections.

[7] Ferguson & Chen, 2004. The paper was first presented at the Southern Political Science Annual Meeting in January, 2004 and subsequently at a Sociology Department colloquium at New York University in March.

[8] Thomas Friedman of the New York Times popularized the "Golden Arches theory of international peace" and then had to defend it after the US intervention over Kosovo. Cf. the various editions of Friedman, 2000. A series of studies examined how often democracies fight wars against each other. It turned out that the statistical issues are relatively complex; but we cannot discuss them here.

[9] For Cheney and Kazakhstan, see Greg Rohloff, "Cheney's Experience Pays Off as a CEO," Amarillo Business Journal, June 13, 1998; my reference comes from the *Journal*'s web issue. Cheney was also active in Azerbaijan, see David Ottaway and Dan Morgan, "Caspian Oil Draws Crowd of Ex-Washington Heavyweights," Austin American Statesman, July 13, 1997; my reference comes from a subsequent web posting.

[10] Stiglitz, 2003.

[11] Barro & McCleary, 2003, 760-81; Barro & McCleary, 2004, 1-60. Whether the revival of religion should be treated as a purely cultural trend is highly doubtful. Typically, where religion comes high on a national agenda, obvious political forces are at work. See the discussion in Mamdani, 2004, Chapter 1.

[12] The literature is too enormous to be mentioned; Held, et. al, 1999, is a comprehensive effort to measure the phenomenon.

[13] Pew, 2002, 1-3 My reference comes from the copy on the Project's website.

[14] Included in the sample are all the countries in the Pew survey for which usable data exists. In the end, the sample comprised 37 countries.

[15] Note, however, that empirical work on the United States suggests that conservative religion actually hinders economic growth. See the very interesting study of Heath, *et al*, 1995, 129-42, which raises major problems for analyses of the "market" school. As they point out, conservative religious beliefs can have serious costs for economic growth, too. It is hard to believe, for example, that in the past business discrimination against Catholics and Jews did not have serious economic costs. See the discussion in Ferguson, 1999, 777-98. The "market" school needs to address these questions.

[16] The idea of an instrumental variable regression is to find something that tracks the variable one is really interested in, but which cannot be correlated with the error in the regression equation. The instrument for GDP per capita is latitude; however improbable this may seem to readers who have not followed debates over economic growth in history, the variable is now widely used in this way. See the discussion in Hall & Jones, 1999, 83-116.The data sources for the variables used in the final regression are listed in Table 1. A few countries in the Pew sample had to be eliminated because data for other variables was lacking. The University of Texas Inequality Project data are for varying years; I used the latest for each country. This is not ideal, but there is no alternative. That dataset has values for East and West Germany in part of the nineties, but no later entries. After examining later figures for Germany (where the data is of reasonable quality) in other datasets on inequality, which were not as useful overall for my purposes, it seemed very safe to conclude that the last West German number for inequality (much higher than that for East Germany) would be a reasonable outer bound estimate for the country as a whole. Any error almost certainly works against my hypothesis, thus there seemed little chance of a false positive.

The inevitable consequence of a dataset of this size is that some developmental variables are too highly correlated with income to be separated. It does not help that many countries, under prodding from the World Bank and other institutions, have made similar investments in certain categories that might in the past have told interesting tales. I believe this is especially true for social expenditures involving women and education.

[17] I tested a newly recalculated Herfindahl index for pluralism that Dr. Barro at once supplied me when I inquired about it and relied upon values for the other two published in Barro & McCleary, 2003. I am grateful for his timely and friendly response and am the first to say that I think my findings do not settle the question. I do believe, though, that adding inequality into larger datasets as they become available will lead to different results than the "market" school anticipates. I should also note that while I tested variables for education and literacy, they either did not work or in my dataset were multicollinear with income.

[18] See the graph comparing the advance of inequality and voting turnout during the Jacksonian Revolution in Ferguson, 1995, 51.

[19] The passage is from the opening of his Eighteenth Brumaire of Louis Napoleon.

[20] Frank, 2004. His title, as he notes, echoes a famous question of William Allen White about Populism a century earlier. A lucid compendium of statistics on inequality can be found in (Phillips, 2002).

[21] See Robinson, 1974, 587-94.

[22] For the former, the reference, of course, is to Walter Dean Burnham's work. See, e.g., Burnham, 1970. Ferguson & Chen, 2004, using spatial regression techniques, show that outside the South the huge decline in US voter turnout after 1896 that Burnham extensively discussed was in fact strongly correlated with the advance of industrialism.

[23] The literature is enormous, if very uneven. See, however, Litman, 2001, 171-98, and Mindich, 2005. This literature tends to bypass questions such as those addressed in Brock, 2004. It thus never considers whether a connection exists between public affairs programs that concentrate on spokespersons for a few establishment and conservative think tanks and the mass lack of interest in such programs. I venture that if, say, Noam Chomsky or Walker Todd appeared more often, audiences would rise.

[24] See for Iraq, the data presented in "The Separate Realities of Bush and Kerry Supporters," Program On International Policy Attitudes, University of Maryland, Oct. 21, 2004. This study received wide publicity; the text is also available on the Program's web site. The striking degree of misinformation shown here is a strong piece of evidence that if Kerry and the Democrats had taken a more openly critical stance on foreign policy, a fair number of voters could have been won.

[25] Johnston et al, 2004; see especially their "Introduction." This study presents strong evidence that Bush got as close as he did to Gore in the popular vote thanks to the substantially larger war chest that he had for TV ads in the closing days of the campaign.

[26] The multi-level modeling approach is outlined in Raudenbush & Bryk, 2002. Such an approach can be useful when more than one level of data is relevant to predicting responses. I lack the space to develop the point, but "macro-historical" approaches to politics can profitably explore these issues.

On inferences across levels, see, e.g., Achen & Shively, 1995. For this paper perhaps the most important caution is that considerable heterogeneity commonly exists within groups, even those whose presence appears to have important links to political outcomes. So, for example, a substantial number of evangelicals surely voted for John Kerry. I continue to believe that very few one-issue voters exist in American politics; the model of electoral choice outlined by Stanley Kelley some years ago still seems the most true to life, though a variety of questions remain. See Kelley, 1983 and my discussion in Ferguson, 1995, 269, n. 6 and 392-95. In terms of the model discussed below, factors such as the economy or religion add new "considerations" across broad ranges of voters that change substantial numbers of minds.

Another point that should be obvious is that if one looks beneath the level of the presidential vote, somewhat different patterns may be evident, even amidst realignment. At lower levels Democratic candidates sometimes did very well in, say, western states that went for Bush.

[27] Some important potential data sources on religion collect data only for the 48 contiguous states; early in the research, accordingly, the decision had to be made to collect the rest of the data only for those also. The regression results refer to the 48 states; they do not include Alaska and Hawaii.

[28] A single index for the explanatory power of spatial regressions on the model of the venerable R squared for ordinary least squares does not exist, because of the way these estimates are calculated. But a linear version of the equation has an R squared of .82.

[29] I think this is true even though certain aspects of the economy perhaps conduced slightly more than usual to confusion. The sharp rise in housing values in some parts of the country as a consequence of the Federal Reserve's easy money policy, for example, may have raised the net worth of voters whose salaries lagged. One may doubt if most voters can clearly sort out wealth and income effects in their financial circumstances. Also, in 2004, the dollar was still relatively high. This made consumer goods, especially from Asian countries that peg their currencies to the dollar, relatively cheap. I suspect that when the dollar falls, a substantial number of voters are likely to reappraise their situations, even among those whose incomes keep pace.

[30] See Adam Nagourney, "Democratic Leader Analyzes Bush Victory," New York Times, Dec. 11, 2004. I also checked whether a variable indicating battleground state status or the presence of a referendum on marriage affected the estimates; neither did.

[31] New York Times, Nov. 7, 2004, C2.

[32] The latter has been promoted by David Brooks, "The New Red Diaper Babies, New York Times, Dec. 7, 2004; but especially by Steve Sailer, "The Baby Gap: Explaining Red and Blue," in The American Conservative. There is nothing intrinsically foolish about the claim, though from the first I doubted its causal truth: It works through having children, which leads to more religion, and says nothing about economics. The later two variables appear far more likely to be primary causal variables. In any case, the argument can be subjected to multivariate testing. Sailer's website, www.isteve.com/babygap reproduces

Census Bureau data on fertility rates. I tested his variable; neither white fertility rates nor a dummy for southern states add anything to the equation's explanatory power.

The argument does seem to have a political aspect: The implication is that Democrats are really anti-family.

[33] This point is extremely important. In the nineties, the term "fundamentalism" was widely felt to be unhelpful by many evangelicals. Social scientists also introduced new terminology; there was a political dimension to some of this in that "fundamentalism" often rang old alarm bells. Published estimates of evangelicals among the states in the 2004 election commonly left out Mormons. The theological case for separating Mormons from evangelicals is strong, but not when analyzing American politics. The two need to be totaled. Given that the church data predict, there is no point in getting lost in arguments over whether the notion of "values" in the main election day poll was misleading or not. See the discussion in the New York Times, Nov. 6, 2004, A11.

[34] See the poll presented in New York Times, Nov. 7, 2004, Section C, p. 7. Catholics were virtually at the national average in choosing between Kerry and Bush. For reasons of space, we pass over the often interesting contacts between the Bush administration and the Vatican in this period.

[35] Given the enormous sizes of the middle classes in China and India, it is theoretically possible that inequality could increase in every country in the world, but that overall inequality in the world as a whole could decline. There is a wide range of views about this; it is impossible to tackle that question here. It also has zero policy relevance.

[36] Compare the tables for 1996 in Ferguson, 2001 and for earlier elections in Ferguson, 1995.

[37] Lindert, 2004, Chapter 7.

[38] See Ferguson & Chen, 2004, which confirmed earlier results of Aldrich and Niemi. As suggested earlier, I tested a large number of alternative specifications, including many involving demographic variables of different types. None improved results, including those for various minority groups.

[39] These data come from the summary of the results of the 2001 American Religious Identification Survey, a large scale study conducted by researchers working under the auspices of the City University of New York. This closely tracked an earlier National Survey of Religious Identification, whence the 1990 data come. See the longer presentation on the website of the CUNY Graduate Center of the City University of New York http://www.gc.cuny.edu/studies/key_findings.htm.

[40] See my review of (Phillips, 2002) in the Washington Post Book World, May 19, 2002, p. 7.

[41] See Ferguson, 1995, "Appendix: Deduced and Abandoned, Rational Expectations, The Investment Theory of Political Parties, and the Myth of the Median Voter," pp. 377-419.

[42] For an econometric analysis of a contrasting case, when aggregate demand stimulus and exchange rate flexibility worked powerfully to reduce inequality during the New Deal, see Ferguson & Galbraith, 1999, 205-57. This can be contrasted with the rhetoric concentrating mostly on "education" from both Democrats and Republicans during the recent campaign. This is not to deny that education matters, but so do exchange rates and aggregate demand.

[43] For the anti-Dean TV ads, see the excellent discussion by Charles Lewis, "Who Mugged Howard Dean in Iowa?" Counterpuch, March 6/7 2004, counterpunch.org/lewis03062004.html. Robert Torricelli, late of the Senate, contributed; so did fundraisers associated with Kerry, Gephardt, and Clark. Soros spelled out his case against the President in Soros, 2004.

[44] The cut off point of my survey. Note that the discussion is about final sources of money; in particular locales, the different groups sometimes collaborated on particular projects. The whole business often resembles the inter-bank market for funds.

[45] Ferguson & Chen, 2004.

[46] See Paul Krugman, "Buying Into Failure," New York Times, Dec. 17, 2004.

[47] Certain telltale signs as the new administration begins suggest that the goal of democratization is being watered down or abandoned. It cannot be stressed too strongly that for over a decade, American policy in both the Middle East and the Caucasus has been premised on a weak Russia. Oil at over $40 a barrel, however, undermines that premise.

[48] See above, the discussion of the media. "Non-immunized" comes from Burnham's analysis of the Weimar Republic. See Burnham, 1972, 1-30.