Economic woes may color 2008 election season
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TRIAD – The timing of President George W. Bush’s economic stimulus proposal Friday wasn’t lost on High Point University faculty member Jerry Fox.
The president announced his plan to kick-start the economy the day after the stock market dropped more than 300 points and a little more than a week before his State of the Union address.
Bush proposes as much as $150 billion in tax relief to consumers and businesses.
The president is trying to send as much of a political message as economic one, said Fox, an associate professor of economics specializing in the ties between politics and the economy.
“It’s obviously an attempt to boost the economy prior to the election,” Fox said.
The question becomes whether Bush and the Democrat-controlled Congress can agree on a stimulus plan that would have noticeable effect on Americans before voters go to the polls in November.
If history is any guide, Republicans have more at stake in a quick recovery.
“The incumbent political party (in the White House) has a better chance of being re-elected if the economy is strong. If the economy is not doing well, it tends to benefit the opposing political party,” Fox said.
U.S. Rep. Howard Coble, R-6th, has been candid about his concerns that economic problems – the housing slump, volatility on Wall Street, high gas prices – could hurt Republicans nationally in 2008.
“I don’t want to be a prophet of gloom and doom, but I just don’t believe this year is going to be a good year for us nationally,” Coble said.
Coble acknowledges some Republican cohorts are expressing worries privately about how a slumping economy and continued public qualms about the war in Iraq could hurt the party at the polls.
“I’m just saying it publicly,” the 12-term congressman said. The economy is an issue that could permeate races from the presidency to statewide contests in North Carolina to the local level with county commissioners, said Ran Coble, executive director of the N.C. Center for Public Policy Research in Raleigh.
National surveys show the Iraq war remains the top issue with the highest proportion of voters, said Coble, no relation to the congressman.
“Gaining fast – and already No. 2 – are economic issues,” he said.
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