Mortgage, housing woes could hamstring GOP

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TRIAD – Republican candidates already sweating how the Iraq war might affect their chances at the polls next year now have another issue to heed, political analysts say.

If the crisis in the mortgage and housing industries spirals out of control, Republicans face a greater risk since they still control the White House and held sway in Congress until last fall’s election, the analysts say.

When economic difficulties occur during an election season, it tends to hurt the party in power in the White House, said Gerald “Jerry” Fox, associate professor of economics at High Point University.

“The usual economic variables that tend to be significant would be unemployment, inflation and real economic growth,” said Fox, who specializes in studying the impact of economic statistics on politics.

“To the degree that we would see this mortgage crisis impact those things, that would be a negative effect on the chances for the Republicans.”

Republicans took credit earlier this decade when loosened lending practices led to record levels of American homeownership, said Sam Moseley, chairman of the political science department at North Carolina A&T State University.

“Now, you can’t just suddenly draw back and say, ‘This is on Democrats.’ It will be equated with Republicans and tied to George Bush,” he said.

A slide in the economy caused by the mortgage and subprime lending crisis could add to the anger of voters already frustrated by issues such as the Iraq war, said Charles Prysby, professor of political science at the University of North Carolina at Greensboro.

“It would be very bad news for Republicans. You could have a ‘double whammy’ of the war and economy doing badly,” he said. “It would give the Democrats more to attack because it ties into prevailing views of Republicans being more the party of business.”

But Democrats aren’t faultless, Moseley said. If Democrats who took control of Congress after last fall’s election aren’t seen as addressing a crisis costing people their homes and jobs, they will be blamed as ineffective, Moseley said.

If the mortgage and housing troubles are traced to a lack of oversight in the federal government, then the fallout could help “outsider candidates” of both parties who would run against “that mess in Washington,” Prysby said.

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