I. Increased party differences
   A. Evidence
      1. In U.S. House, 1952-2002 Figure 3-1, p. 44
      2. In party platforms, 1960 v. 2004 Tables 3-1a & b, pp. 46-47

   B. Explanations (from McCarty, Poole, and Rosenthal)
      1. Expansion of the middle class: as American society has become wealthier on average, a larger
         segment of society is unwilling to fund government social programs for the poor.
      2. Shrinkage of the lower-income voting bloc: due to patterns of immigration and incarceration,
         members of lower-income groups are less likely to be part of the electorate.
      3. Rise of non-economic (cultural) issues: the Republican advantage on these non-economic issues has
         mitigated the loss of votes that might have been associated with their shift to the right on economic
         issues.

II. Taxes: battles over revenues and who pays
   A. Tax issues
      1. Tax rates on higher-incomes
      2. Capital-gain-income tax rates
      3. Estate taxes - exclusions and rates
      4. Loopholes
   B. Who (earns) pays what? Table 3-2, p. 49 1960-2002 trends
      1. Share of adjusted gross income
      2. Income-tax rates
      3. Percent of taxes paid Figure 3-2, p. 51
C. Fighting over what taxes should be Figure 3-3, p. 53 & Table 3-3, p. 54

D. Differing party interpretations
   1. Republican (libertarian/conservative):
      a. Because inequalities in income are primarily due to the
         (1) Individual shortcomings of those with less income and
         (2) Individual merit of those with more income
      b. The income-tax system should reward individual initiative by
         (1) Lowering the tax rate on higher incomes
         (2) Lowering the tax rate on capital-gains income
         (3) Lower or eliminate estate taxes
   2. Democratic (liberal/populist):
      a. Because inequalities in income are
         (1) Too often due to unfair disadvantages beyond the control of the individuals with less income
         (2) Unfair advantages of those with more income
      b. And, because other taxes are regressive (e.g., social security & medicare)
      c. The tax system should level the playing field by
         (1) Maintaining or increasing the progressivity of all tax rates (social-security & medicare taxes as well as income taxes)
         (2) Maintaining or increasing the capital-gains-income tax rate
         (3) Maintaining or increasing the inherited-income (estate) tax rate

III. Battles over programs
   A. Welfare Table 3-4, p. 59
      1. For the poor
         a. Two-year contiguous limit
         b. Five-year total limit
         c. Work-fare requirement
      2. For the non-poor
         a. Corporate subsidies
         b. Tax loopholes for the wealth
   B. Unemployment compensation Table 3-5, p. 59
   C. Business regulations
      1. Minimum-wage level
      2. Undocumented workers
      3. Health & safety working conditions
      4. Environmental pollution
      5. Consumer-product safety
      6. Torte law
         a. Class-action suits
         b. Limits on punitive awards
      7. Bankruptcy regulations

IV. Social Security, private markets, and redistribution issues
   A. Voluntary v. compulsory savings
   B. Contributions-to-benefits ratio