MISCELLANEOUS TEXT (FEC Form 99)

NAME OF COMMITTEE (In Full)

RYAN 4 PREZ

FEC IDENTIFICATION NUMBER

C00703512

Mailing Address 6241 FREEDOM LANE

City	State	ZIP Code
CITRUS HEIGHTS	CA	95621

September 16, 2022

Federal Election Commission (FEC)
Reports Analysis Division
1050 First Street, NE
Washington, DC 20463

(Part 1 of 6)

Dear Federal Election Commission (FEC) Staff,

I would like to inform you that in addition to my campaign activities on Twitter and Facebook, I have started writing academic papers on subjects of national importance, in the hopes that these papers will be published in relevant academic journals.

I uploaded a preprint of my first such paper, titled "Misperceived Price Supports: How the GPRA led to the downfall of the American Middle-Class", to ResearchGate yesterday (September 15, 2022 at 7:10 PM Pacific Standard Time) at the following URL:
https://www.researchgate.net/publication/363583917_Misperceived_Price_Supports_How_the_GPRA_led_to_the_downfall_of_the_American_Middle-Class

I have archived this URL at:
https://archive.ph/3gHTU
https://web.archive.org/web/20220916031300/https://www.researchgate.net/publication/363583917_Misperceived_Price_Supports_How_the_GPRA_led_to_the_downfall_of_the_American_Middle-Class

Also, the Digital Object Identifier (DOI) for my preprint is 10.13140/RG.2.2.32825.85607 (see https://dx.doi.org/10.13140/RG.2.2.32825.85607).

Additionally, a copy of this preprint, as downloaded from ResearchGate in PDF form, was subsequently uploaded to the personal website of my running mate in the 2020 U.S. Presidential Election, Veronica Ehrenreich, at:
https://veronicaehrenreichrisner.com/ryan/EhrenreichRyanStephen_MisperceivedPriceSupports_HowTheGpraLedToTheDownfallOfTheAmericanMiddleClass_2022_09_15.pdf

I have archived this copy my preprint at:
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I also archived this copy of my preprint page-by-page at:
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Page 29: https://archive.ph/HGZoL
Page 30: https://archive.ph/5YVI4
Page 31: https://archive.ph/H8cgK
Page 32: https://archive.ph/IR8c5
Page 33: https://archive.ph/HwJ72
Page 34: https://archive.ph/Hd03G
Page 35: https://archive.ph/NtY7Q
Page 36: https://archive.ph/qeHOe
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Page 49: https://archive.ph/Iushi
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Also, yesterday, September 15, 2022 at 9:40 PM Pacific Standard Time, I submitted this preprint for consideration for publication in a special issue of the International Journal of Public Administration (IJPA) on the Government Performance and Results Act of 1993 (GPRA).

Furthermore, I am including the full text of this paper below (where this letter is 1 of 6 parts).

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Finally, I ask that you please add this letter to the record of filings for Candidate P00011395 and Committee C00703512. Also, please let me know if any further action is advised or required, and thank you in advance for your efforts on my behalf.

Sincerely,
Ryan Stephen Ehrenreich, MBA (Candidate ID P00011395)
Candidate for the Republican Party Nomination for the 2024 U.S. Presidential Election

---------- Manuscript Text Below ----------

Misperceived Price Supports: How the GPRA led to the downfall of the American Middle-Class
Ryan Stephen Ehrenreich, MBA

Introduction

Relentlessly pursuing faulty objectives is likely to result in undesirable outcomes. That is what happened to the United States of America in the 1990s after the passage of the Government Performance and Results Act of 1993 (GPRA), which sought to imbue modern managerial techniques from the business world into all departments of the U.S. federal government.

Such modern managerial techniques were designed to empower managers to efficiently and effectively drive organizations forward in the pursuit of clearly stated goals and objectives. However, if a goal is fundamentally flawed, maximally pursuing that goal only magnifies the detrimental effects caused by committing to that flawed goal in the first place.

Based on a lack of understanding of the root cause of the Great Depression and a GPRA-inspired drive to modernize government by eliminating wasteful spending, U.S. policy-makers set goals and enacted changes that directly undermined the FDR Administrations solution to the Great Depression, namely the U.S. Price Support for Labor, which had created the historically strong U.S. Middle Class. This Price Support for Labor was enacted by provisions in the Social Security Act of 1935 that paid certain members of U.S. society to work less or not work at all, a situation which ran contrary to the GPRA mindset of reducing waste and maximizing efficiency.

As a result of this ideological shift, changes were enacted to cash aid welfare in the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) and to Social Security benefits in the Senior Citizens Freedom to Work Act of 2000 (SCFWA) that prioritized a GPRA-inspired goal of return to work above all else, nearly eliminating the practice of the federal government paying certain members of society to specifically not work or work less. Without an effective Price Support for Labor, conditions in the labor market turned drastically against the individual worker and to the benefit of ownership, leading to the downfall of the previously-strong American Middle Class, as described below.

Root Cause of the Great Depression

Throughout human history, technological advancements have produced more reliable, efficient, and effective ways to accomplish existing functions within a given society, reducing the need for unskilled human labor to perform those functions in the process. Such advancements have led to significant increases in the overall productivity of a given societys labor force, enabling the long-term stability of many legendary civilizations of the past (Shin, 2020). Furthermore, those productivity gains enabled vast diversification in the roles of people in their societies.

This diversification is most simply exemplified in the feudal mantra of orders: those who pray, those who fight, and those who toil (Duby, 1980, p. 174). In regards to medieval Europe, this mantra clearly delineates 1) the clergy who served God, 2) the nobility who originated as warriors of the state, and 3) the laborers who produced economic output. Also, importantly, the Catholic Church provided a stable pathway for absorbing any excess supply of labor into the clergy, thus functioning as a Price Support for Labor (explained below). Additionally, with the expansion of the monetary economy, the

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places of the actors on the social stage gradually shifted, promoting the role of trade, a kind of labor (Duby, 1980, p. 323), proving an underlying implication of this mantra: as a society advances technologically, there is more possibility for diversification into specialist roles beyond that of the most basic role of unskilled, undifferentiated laborer.

However, the downside of technological advancement is that in displacing the need for unskilled human labor, in absence of the commensurate creation of new need for labor elsewhere in the economy, the adoption of new technology leads to an ever-declining real wage for unskilled laborers, as the relative supply of unskilled labor increases at the same time that demand for that labor decreases (Mills, 1934). Furthermore, when coupled with an ever increasing population base, in absence of a clear solution, this ever-declining real wage will impact more and more people as time passes, possibly precipitating catastrophic societal consequences, such as the capitalist fratricide that Marxist-Leninist theory confidently predicted (Kennedy, 1999, p. 382).

To understand how technology destabilizes the real wage for unskilled labor, consider the impacts of introducing a new technology. New technology often provides a more reliable, efficient means to achieving a function that already existed in society. Therefore, the adoption of such a new technology en masse necessarily decreases the demand for the unskilled labor that performed the commensurate function prior to the adoption of this new technology. While such a new technology often creates demand for fewer, but more skilled, specialists that have been trained in how to apply or maintain this new technology for productive work, the unskilled laborers displaced by the new technology rarely become the skilled specialists who fill the newly created roles, and even if they do, the aggregate demand for specialist labor to fill the newly created roles is often less than the aggregate demand for unskilled labor that has been displaced by the new technology.

Therefore, the new technology has the ultimate effect of increasing the supply of unskilled labor available for other industries at the same time as it reduces total aggregate demand for unskilled labor across all industries, thus necessitating a reduction in real wages for unskilled laborers as a whole. As time passes, if wage earners in unskilled labor experience massive job displacement without a clear solution for where to transition to in order to obtain survival income, those wage earners will go back into the pool of unskilled labor to seek their survival income, and the resulting catastrophic decline in real wage for unskilled labor may cause tremendous unrest in society.

This very condition, the deterioration of real wages caused by the rapid decline in demand for human labor, was the true cause of the Great Depression of the late 1920s and 1930s. Americans of all classes were buying, often on credit, the latest labor-saving or productivity-enhancing technologies, both for personal and professional use, and then using those technologies to automate the need for each others labor, hence reducing overall demand for human labor. As Americans used purchases on credit to automate each others contribution to the wider labor force, they simultaneously deteriorated the value of each others work in real wages, causing the very credit purchases that provided the labor-saving technologies to become bad debts. The Stock Market Crash of 1929 was how the economic system processed this massive pile-up of bad debts, and in absence of strong government intervention and under tightened federal monetary policy, the U.S. economy as a whole reverted from an economy that served all demand, whether on credit or not and whether that demand was truly creditworthy or not, to a market that served only the demand of those who could actually afford

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to buy the good being purchased. This drastic reduction in demand for goods caused a further massive reduction in the demand for human labor to produce those goods, leading to massive joblessness.

The author supports this analysis as to the root cause of the Great Depression by comparing the 1934 observations of Frederick C. Mills for the National Bureau of Economic Research to the actual situations that unfolded during the Great Depression. In regard to technical advancement in agriculture specifically, Mills asserted:

Given a labor supply without fixed job tenure, and therefore subject to ready reduction, real labor displacement may be expected to result from technical improvement. If the labor supply be tied to the productive processes in question (as it is in agriculture, to a large extent) an expanding output, produced under conditions of lower cost and without much regard to the ability of the market to absorb the increased supply, may be expected. Marketing troubles, price weakness, social distress and reduced living standards may result from this combination of circumstances. (Mills, 1934, p. xxvi)

Mills assertion on agriculture directly aligns with the events that occurred before and during the Great Depression, as technological advancements in farming led to record surpluses, resulting in a downward spiral for farm commodity prices. As David M. Kennedy observed:

When the guns of August 1914 announced the outbreak of fighting in Europe, American farmers had scrambled to supply the worlds disrupted markets with foodstuffs [] The number of motorized farm vehicles quintupled in the war years, to some eighty-five thousand [] By the end of the 1920s nearly a million farmers chugged along their furrows mounted atop self-propelled tractors. And as tractor-power substituted for horse- and mule-power, some nine million work animals were destroyed, releasing an additional thirty million acres of pastureland for the planting of wheat or cotton or for the grazing of dairy animals [] American farmers found themselves with huge surpluses on their hands. Prices plummeted. (Kennedy, 1999, p.17)

The industrial production of goods also experienced rapid technological advancement prior to the Great Depression, and these technological advancements displaced massive amounts of human labor. As Mills explained, for industries producing goods with inelastic demand, Mechanization in other economic areas marked by inelastic demand for commodities produced tended also to displace labor, rather than increase production, and so to widen the margin of unemployment which has always been a feature of an industrial economy. (Mills, 1934, p. xxvi-xxvii) Further, Mills explained that even for industries experiencing elastic demand for their goods, labor displacement often occurs when corresponding profits are not used to increase output. As Mills stated:

With demand elastic the given innovation may still displace labor, rather than increase output, if the reduction of costs is not passed on in the form of correspondingly lowered prices to buyers. If the reduction of costs served exclusively to swell profit margins [] the final effects of the innovation might be [] to displace a quantity of labor corresponding to the enhanced efficiency of the manufacturing process. (Mills, 1934, p. xxvii)

Mills observations on the displacement of labor, which occurs when gains in efficiency from technological advancement are not used to increase production, but rather to grow profits, align with the situation that unfolded around the Stock Market Crash of 1929. Shortly before the crash, federal monetary policy was tightened, and thus caused a reduction in access to credit. As Kennedy observed:

The Federal Reserve Board justifiably hesitated to raise its rediscount rate for fear of penalizing non-speculative business borrowers. When it did impose a 6 percent rediscount rate in the late summer of

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1929, call loans were
commanding interest of close to 20 percent a spread that the Fed could not have bridged without catastrophic damage to legitimate borrowers [] By ordinary measures, credit was tight after 1928. (Kennedy, 1999, p.37)
Kennedy noted the affect of this tightening credit on industrial business, stating a business slowdown was detectable by midsummer 1929, but as yet there was little reason to consider it anything more than a normal dip in the business cycle (Kennedy, 1999, p.39). But even in the face of reduced output and the aftermath of the Stock Market Crash of 1929, industrial stocks experienced tremendous price stability, as Kennedy further noted By April 1930 [] New York Times average of industrial stocks then stood about where it had at the beginning of 1929, which was approximately double the level of 1926 (Kennedy, 1999, p.40). As stock prices are a reflection of company earnings, it is reasonable to assume that benefits of technological innovation were applied toward bolstering industrial stock prices, not maintaining or expanding output in the face of economic slowdown. This interpretation is further supported by the U.S. Industrial Production and Capacity Utilization index (INDPRO), which stood at a post-WWI low of 3.7994 in March 1921, grew to 6.7635 by October 1926, reached a high of 7.8683 by August 1929 (around the time of the mid-1929 slowdown Kennedy noted), but by April 1930 had declined to 6.7905 (which was nearly identical to the 1926 high, even though corresponding stock prices had doubled since), and further declined to interwar period low of 3.6916 by July 1932 (Board of Governors of the Federal Reserve System (US), FRED, 2022, INDPRO).

Beyond commercial production alone, in the 1920s, domestic settings began to experience the benefits of technological advancement, as many of the time-saving household appliances that people take for granted today were only just coming to market. Of note, yearly sales of electric household appliances and supplies skyrocketed from $23.7 million in 1915 to $176.7 million by 1929, representing a more than 7 times increase in those 15 years. Many of those appliances, such as washing machines, displaced many weekly hours of human labor. Similarly, yearly sales of radios skyrocketed from $17 million in 1920 to $366 million by 1929, representing a more than 21 times increase in those ten years. Using electromagnetic waves, radio provided information for free that was previously purchased in the form of print newspapers or in-person theatrical entertainment. (U.S. Bureau of the Census, 1960, p. 250-306) As a result, the amount of human labor necessary to maintain a household reduced dramatically, causing displacement of demand for household staff and related services.

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