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Remind Me Again – Who Won The Cold War?

by David Michael Green

Okay, you're gonna need to fasten your seatbelt for this one.

Hear's a quiz for you: Who was the third most 'socialist' president in American history?

Hmmm... Hard to say, eh? I think we can all agree that Franklin Roosevelt, who brought the first incarnation of the welfare state to America in the form of the New Deal, qualifies as the most socialist of American presidents. He was angrily decried as such by the rabid right (of course) when he gave Americans jobs and labor organizing protection and pension benefits. They were accurate to call his programs socialist, though it was a laugh then, as it is now, to label the country by that term. All modern industrial democracies are mixed economies, with elements of both private sector (market) and public sector (government) activity. The question is never whether they're mixed - they all are - the question is what is the mix. And America, of any country on this list, has always had the least socialist mix of all.

Anyhow, I think we can all also pretty much agree that number two on our list of presidents who most moved the American system of political economy to the left would be Lyndon Johnson. LBJ declared war on poverty in his Great Society program, and he also had some major goodies for the middle class as well, like Medicare. By the time Johnson was done, the American welfare state had been expanded considerably, though it still paled beside those of other comparable countries in the West. All of these, for starters, had national healthcare systems, and of course America has never quite gotten there.

After the 1960s, the liberal project stalled and ran into a wall of regressivism which has continued until this day. In fact, just about literally until this very day, as we are now watching that ideological experiment crumble before our eyes, and not a moment too soon.

So who, then, has been the third most socialist president in American history? Before solving that mystery, let's take a moment to define terms. What do we mean by 'socialism'? For me, that system of political economy revolves around four key concepts. First, there is a big welfare state. That means that there are government programs - not provided to some people by charity, or the workplace, or individual purchase, but provided by the government for all - covering so-called cradle-to-grave benefits: healthcare, paid maternity leave, pension, unemployment insurance, education, etc., all down the line. Second, there are relatively high levels of taxation, built into a rather steeply progressive taxation system. This accomplishes at least two things. First, it produces the revenue necessary to pay for the first plank, the generous benefits for all. And, second, it levels the distribution of wealth in society to an acceptable degree, so that you don't wind up looking like a banana republic, with ninety-eight percent of the national wealth concentrated in the hands of two percent of the population.

The third major component of socialism, as I see it, is regulation of the private sector. Yes, there is a market economy, and it is even likely to be bigger than the public sector portion of the economy. But that does not mean that private actors may do whatever they want. They may not make a profit while externalizing their costs in the form of air, water, chemical or other forms of

pollution. They may not employ underage children. They may not pay slave wages. They may not prevent workers from organizing. They may not deny them vacation time or sick leave or maternity time off. They may not provide dangerous working conditions in order to maximize profits. What we know from human psychology and from historical experience is that corporations will do all these things and more, left to their own devices. Maybe you've noticed lately? The regulatory function of the state is to represent the people's interests, and to make sure they always trump the more narrow special interests.

Again, America is different from the rest of the West in this regard only in scale, not in kind. We don't mandate six week annual vacations or a fair union organizing environment, to be sure. But the principle of regulation in the public interest is widely subscribed to everywhere but among the nutty right (or should I just say the right, and avoid redundant adjectives?). Just ask airplane passengers whether they want an FAA inspecting for safety, or if they prefer to let airlines struggling to cut costs in order to remain profitable to handle that however they see fit, perhaps even subcontracting it out to the lowest bidder. Ask them if they want an FDA to inspect the food and medicines they imbibe, or should we all just do it on the honor system. Not only do Americans want regulation, but I'm pretty sure they'd be rather horrified to see how little of it actually remains in place today, and the degree to which what's left is working on behalf of industries supposedly being regulated instead of the public interest - including at the FAA and FDA.

Finally, socialism - especially classic socialism of the mid-twentieth century - involves the actual ownership of major industries by the government, particularly big, important ones. These so-called 'commanding heights of the economy' - transportation, communications, mining, housing, etc. - were deemed too crucial to the welfare of society to be left in the hands of private actors, and thus were often owned and run by the government.

It's probably fair to say that - at least as of a decade ago - no Western democracy is today as socialist as it used to be. The definite trend of the hated Thatcher-Reagan era has been emphatically toward the other direction on all four of these indices.

But at least now we can finally answer our pregnant question: Which American president has been the most socialist of all, apart from FDR and LBJ? The (really, really) surprising answer is: George W. Bush. What makes this surprising is not only his rhetoric, but also many of his programs, which are completely antithetical to socialism. This is a guy straight out of the eighteenth century, on a good day. More often it's the thirteenth. Tax law revisions provide one example, representing a massive transfer of wealth from the middle class and the next generations to the already wealthy. These are hardly socialist in nature. Nor is slashing regulation of industry or undermining union organizing efforts at every turn right out of Trotsky's playbook.

But Bush has actually expanded the welfare state in America far more than anyone since LBJ in the 1960s. In one sense - comparatively speaking - this was hardly difficult to do, since the theme of the ensuing decades has been retrenchment at every turn. For Ronald Reagan that meant counting ketchup as a vegetable in his administration's efforts to scale back student lunch programs, even while Nancy was simultaneously splurging on the finest new china for the White House. Even (alleged) Democrats got into the act, as Bill Clinton wiped away American welfare programs wholesale, in order to win himself an election he already had in the bag. Meanwhile, he spent loads of his political capital on trade agreements like NAFTA and WTO, which undermined organized (and even disorganized) labor in America. In both cases, Clinton said 'We'll come back to it later and fix the flaws in the original legislation'. But he never did, presumably because he was too busy being diddled by Newt for having diddled Monica.

All that said, however, Bush's prescription drug legislation for seniors was the biggest addition to the American welfare state since the Great Society. And not just by default either, because

nobody else was doing anything in the intervening years. This was a gigantic program, to the tune of about \$800 billion in cost. So, what in the world was a regressive monster like Bush doing supporting a wholesale socialist expansion of the American welfare state? Well, in large part he was pandering to seniors, who tend to vote in disproportionately high numbers, especially in Florida, which - no one needs reminding - is a swing state that the GOP needs to win in order to capture the presidency. But an even better answer is that this was socialism of a different kind - corporate socialism - massively benefitting pharmaceutical and insurance corporations.

In an incredibly brazen act of legislative transfer of wealth, Bush and his congressional allies inserted two provisions into the bill which ran absolutely and completely counter to the national interest, and to everything they claim about how capitalism works, instead privileging these industries at taxpayer expense, and without the slightest hint of subtlety about any of it. One of those provisions actually prevented the federal government from using its wholesale buying clout in order to negotiate lower prices for pharmaceuticals they purchase. Thus Medicare (which handles this program) pays more than double on average than is paid by the Veterans Administration - another arm of the very same government which is not similarly restricted - for the exact same drugs. The other lovely provision prohibited the acquisition of drugs from Canada, where they are considerably cheaper in cost. If Bush had written into the bill a requirement that all Americans must fall seriously ill at least twice per year, he could hardly have been more obvious about his game. Oh, and did I mention that Republican Congressman Billy Tauzin, who shepherded the bill through Congress, retired immediately afterward to accept his prize of a two million dollar a year job leading the main lobbying group for Big Pharma?

So, how come right-wing kooks in Congress and on the radio didn't object to this very socialist program? One reason was because they were pandering to seniors as well. And another was because they tend to fall in lock-step behind the fuhrer, like good Republicans are wont to do. Meanwhile, of course, corporate welfare is not exactly a foreign concept to these goons, either. But there's another explanation as well, which is that some of them actually did kick and holler, and so this most dishonest of presidents lied to members of his own party in Congress, guaranteeing to them that the total price tag for the program would not exceed \$400 billion. Why that should be acceptable, in principle, to the supposed free market purists of the right escapes me, but it was nevertheless enough to convince several otherwise recalcitrant Republicans to put the legislation over the top. Truth be told, however (and what a concept that is, eh?), the lies ran even deeper than that. Richard Foster, the Medicare Chief Actuary within the administration who had run the numbers, knew full well what the real cost of the Boy King's program would be - almost double what Bush was telling anybody, including his GOP pals in Congress. So he got a warning from the White House via his boss, Thomas Scully (who was also negotiating his new job as a lobbyist for drug companies, just as this bill was being considered by Congress): If you talk to any member of Congress about this, you will lose your job. Like the legions of pathetic and self-interested fonctionnaires whom bullies like Bush and Cheney depend on for success (yes, Colin Powell, I'm talking about you), Foster put his paycheck ahead of the national interest and kept his mouth shut.

And so this massive expansion of the American welfare state - the biggest in four decades - became law under this most regressive of presidents, at his insistence. But the prescription drug bill was just a warm-up act for Karl Marx Bush, one of America's all time most socialist of presidents. Now that his 'free market' (read corporate-servicing) schemes have all blown up in all of our faces, he has not hesitated to turn to - wait for it, now - the government, to bail out the fast imploding private sector. Yes, that evil monster that Ronald Reagan induced many of our more cognitively-challenged comrades to believe was "the problem, not the solution", turns out to be a pretty handy little life boat to have in your back pocket when Adam Smith's 'invisible hand' was most recently seen, not efficiently allocating resources in the market, but rather reaching over and flushing the toilet on the global economy. All of a sudden we see our perennial exponents of the virtues of capitalism now giving government hand-outs to taxpayers in hopes of stimulating the economy, bailing-out failed corporations and entire industries, and now effectively nationalizing

banks. This would be a pretty breathtaking sight, indeed, had not the last eight years more or less already taken away whatever breath we had left.

Of course, it's really only astonishing if you ever bought into the rhetoric in the first place. It's kinda like Iraq. If you think that Bush invaded that hapless country to get rid of a WMD threat to American security, or to bring democracy to 25 million Iraqis - oops, sorry, make that now 24 million - then you're likely to also think that regressives actually believe in a free market, and actually do so because of some theoretical proof or empirical evidence that it is a superior system to the alternatives. The reality is that it is instead simply the rationale du jour for kleptocracy. These guys are masterful at starting with a conclusion (which invariably involves their personal greed), and then inventing some pack of lies or another to sell it. Apart, perhaps, from the decidedly un-free market provisions of the prescription drug bill, nothing proves this quite so well as the massive government intrusions into the economy of the last several weeks. Everybody all of a sudden got real quiet about ideology. That's because the true ideology is simply greed, and government is there to facilitate that in whatever way works best. In this case, it was capitalism on the way up, and socialism on the way down. The privatization of profit, and the socialization of risk. The right hand grabs a fistful on the good days, and the left hand grabs another on the bad. All that good old-fashioned rhetoric about the joys of the free market was about as sincerely believed as the notion that Sarah Palin is eminently qualified to be president. It was just there to keep the hoi polloi bought into a myth, and thus to prevent them from ever demanding their fair share of the pie.

In some ways of course, these slogans lauding the virtues of laissez faire capitalism are no more ridiculous now than they ever were. Consider this. You're sitting in a sixth grade history course sometime in the 26th century (of course the 'humans' then will all be machine hybrids with memory modules, and thus no need for education - but let's leave that aside for now). So, little Jimmy Jetpack raises his hand to ask the teacher a question:

JIMMY: "Um, Ms. Saturnalia, I don't really understand this whole Cold War period we've been discussing. You said that the two superpowers were on a hair-trigger, with giant arsenals of nuclear weapons aimed at each other, and that all life on the entire planet would have been extinguished if those rockets were fired, right?"

MS. SATURNALIA: "That's right, Jimmy. What is it that you don't understand?"

JIMMY: "Well, um, just exactly what were they fighting over that was so important that they were willing to put at risk an entire planet?"

MS. SATURNALIA: "Oh well, that's easy, Jimmy. You see, back then, before humans finally learned that socialism is the best economic system, one side wanted the government to have more intervention in the economy, and the other wanted it to have less. And they got so angry with each other over who was right, they almost had a cataclysmic thermonuclear exchange."

JIMMY: "Oh. I, uh... see. Ms. S, they weren't very smart in the twentieth century, were they?"

MS. SATURNALIA: "Well, no Jimmy, now that you mention it, they weren't. Unless, of course, you compare them to the people of the twenty-first century. But that's next week's topic."

Some might argue that this is an ungenerous reading of the era just gone by. That what was really at stake in the Cold War was a battle over freedom, not just a clash between the economic ideologies of capitalism and communism. It's certainly true that the Soviet Union was far more oppressive than the United States was. On the other hand, that didn't seem to matter so much during World War II, when we were happy to ally with Uncle Joe Stalin himself in order to squash those, er, other totalitarians. And - on the other, other hand - it didn't seem to matter so much

during the Cold War either, when we backed every repressive neocolonialist regime we could find, from Nicaragua to South Africa to Vietnam and back again. Or when we simply installed our own - in Iran, Guatemala or Chile - if the existing government was a little too, um... free and, er... democratic.

Well, whatever. In any case, we won the Cold War (whoopee!), so that's all for the history books now.

Or did we?

You have to admit, it's more than a bit odd to see the United States, that bastion of capitalism, led by George W. Bush, that great champion of free market ideology, now massively plunging itself deeply into good old-fashioned socialism in the form of increased welfare state benefits, bailouts, and the nationalization of major industries. Add that to existing programs and those coming around the corner, plus increased regulation, and pretty soon we won't be far off from being... France! - the nightmare scenario of those sick things on the right. Somehow, in their addled brains, when George W. Bush massively expands government healthcare coverage for seniors that's a good thing, but, say, providing it to children or to all of us represents evil socialism, the very thing which will destroy the fiber of this mighty country. Nevermind that 'mighty' seems to ring more melodious in a sentence with 'China' these days than with 'America'. Only people twisted enough to think that the democratic socialism practiced by contemporary Europeans is some sort of decadent system produced by Satan himself ("My god, they get paid maternity leave!! There's healthcare for all!! They work far fewer hours per week and have guaranteed seven-week vacations!! This is just wrong!! This humanity is inhuman!!") could also applaud Bush for doing exactly the same thing for which they'd certainly excoriate Obama for doing.

But make no mistake about it, the American system of political economy has already begun a hard and long overdue tilt to port. As Americans become increasingly exposed to the joys of a globalized market economy, their prior resistance to sensible solutions will melt as fast as their paychecks already have. It won't be long before there is the rough equivalent of national healthcare here, plus a return to more progressive taxation, fair labor laws and necessary levels of regulation. People can pretend all they want if it makes them happy, but this will nevertheless be a mild form of socialism, not hugely unlike the dreaded European model. And if Americans ever knew the truth about how their system stacks up to France's or Germany's or Sweden's - in terms of leisure time, in terms of lack of stress from worrying about healthcare or education or retirement costs, in terms of health, longevity or infant mortality, and on and on and on - you might see a serious swing to the left on economic questions. All this is possible in an America in which the lies and the crimes of the right have been exposed and repudiated, only to be far more thrashed in the coming years if a President Obama is as smart as I think he is.

So who won the Cold War, then? The capitalists? Yeah, maybe. In the same way that Britain won World War II, that is - only simultaneously to lose power, prosperity and a global empire in the bargain. If you call that winning, then okay.

The only greater thing about America finally maturing enough to adopt a quasi-socialist system is knowing the degree to which that will drive the freaks on the right to utter distraction.

Though they will, of course, still be happy to collect their generous government benefits.

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