

The Political Forum

*A review of social and political trends and events
impacting the world's financial markets*

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THE NEW PROGRESSIVES VERSUS THE REACTIONARIES

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Last year, I wrote a three part series entitled "The Dawn of a New Political Era." In the first two parts, I argued that traditional American conservatism and traditional American liberalism have gone the way of the dodo bird. The nation's two political parties had, I said, all but abandoned the bedrock beliefs that a few short years ago defined them. The following paragraphs provide the flavor of the point I was trying to make.

"Liberals" still purport to represent the interests of "the poor," but there aren't many "poor" around anymore, so they concentrate their efforts on boosting middle class entitlements and log rolling for labor unions, trial lawyers, public employees, and school teachers.

They support things that would have been anathema to liberals just a few years ago: big defense spending, bombing Third World nations, welfare cutbacks, the death penalty, curtailment of the rights of accused criminals, normal relations with nations that demonstrate no respect for human rights, and wink at sexual activities in the White House that once formed the centerpiece of the "feminist" agenda.

Conservatives still pay lip service to conservative themes, such as smaller government, sharply lower taxes and a reverence for traditional moral and ethical behavior. But it's all nonsense, as was amply demonstrated by the pathetic actions of the Senate Republicans during the impeachment proceedings and the lack of any significant effort by the GOP majority in both houses during the budget negotiations of past four years to diminish the power and size of government.

In the third piece, I contended that while the two parties were busy becoming little more than highly paid gaggles of gladiators for large special interest groups, the United States was rapidly

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becoming what can be described as an advanced Weberian state, where real political power is vested in the vast federal bureaucracy.

In America today, I argued, the big decisions, the ones that affect, on a daily basis, the health and economic welfare of the vast majority of Americans and their enterprises, are made in the bowels of the monster bureaucracy, in the alphabet soup regulatory agencies, such as the EPA, FDA, FCC, and FTC; in the back rooms of the federal law enforcement organizations, such as the FBI, the BATF, and antitrust divisions of Justice and the FTC; and, of course, by the economic divines at the Fed and the Treasury Department.

The inevitability of this usurpation of power in a democratic state by civil servants was foreseen, I pointed out, by both Alexis de Tocqueville early in the 19th century and Max Weber early in the 20th. I also noted that Cornell University political scientist, Theodore Lowi, in his classic book on the modern American manifestation of this phenomenon, *The End of Liberalism*, added a new wrinkle that was unforeseen by either Tocqueville or Weber. This wrinkle is the merger between giant private interest groups and their bureaucratic counterparts in government, to form political power bases that dominate the decision making process in all areas that concern them.

Lowi used the phrase “interest group liberalism” to describe this system. Some American political scientists favor the term corporatism. A popular phrase, used by leftists throughout Europe today, and toyed with by Bill on occasion, is the “third way.” As I pointed out in a piece last year entitled “The Modern Promethei,” any honest discussion of this system, no matter what name is used, can’t avoid the fact that its best-known antecedent is fascism.

But whatever name one uses, when all is said and done, a Weberian state has little room for traditional liberals, with their emphasis on sentimental humanitarianism. The “poor,” the elderly, and the nation’s minorities, for example, can line up with everyone else for their piece of the pie, the size of which will depend not on a reservoir of liberal compassion but on their political clout and the political clout of other groups with which they form alliances.

Such a government also has no room for traditional conservatism with its devotion to personal liberty, to religious beliefs, and to the idea that government involvement in society should be minimal.

I didn’t directly address in that series how I thought the two parties would eventually redefine themselves in this Weberian atmosphere, so toxic to traditional liberalism and traditional conservatism. The reason was that with Bill a lame duck and no nominal GOP political leader around, it wasn’t at all clear to me how the parties would proceed.

Today, however, there is an election afoot, and AI and “W” are actively attempting to construct new, party-defining ideologies within this new political paradigm. So I thought it might be a good idea to take a look at how their efforts are proceeding, with the caveat that these efforts are in the formative stage and could change at the drop of poll, so to speak.

For starters, it seems clear, to me at least, that the GOP under “W” is becoming what can only be described as the nation’s “new progressive” party. This is, of course, the term that the so-called “New Democrats” use to describe themselves and the agenda that their organization, the

Democratic Leadership Council, has developed. The idea is to differentiate themselves from the party's old-line liberals as well as from the loony left, which has appropriated the term "progressive" for itself.

They have had little success in convincing people that they are indeed "new progressives," however, largely because the Democratic party's core constituency, the people who finance it and do the grass roots work, is made up of old-line, unabashed liberals from the labor wing of the party and from the leadership of the black community, as well as single issue advocates of radical social change, none of whom have any interest whatsoever in a "new progressive" agenda.

Bill, a founder of the "New Democrat" movement learned first hand how difficult it is for a "progressive" Democrat to become a "new progressive" when Mrs. Clinton refused to give up her liberal and radical agendas upon coming to Washington and fought tooth and nail to keep him from giving up his. She now defines herself as a "New Democrat," in deference to New York voters, but I don't think even her strongest supporters believe it for a minute.

The irony of all this is that while "W" prefers the term "compassionate conservative" to the term "new progressive," he has, for all practical purposes, adopted the bulk of the New Democrats' "new progressive" agenda. And he hasn't been particularly subtle about it. Even the *Washington Post's* political reporters, who are generally as thick as the earth's crust, picked up on it, and put it this way in a June 6, front page piece by Dan Balz entitled "Bush takes Clinton Cue," and headlined on the inside continuation, "Bush Initiatives Resemble New Democrats'."

Many of the policy initiatives Bush has outlined this spring, from education and health care to Social Security and arms control, bear striking similarity to the world of the New Democrats. Bush's advocacy of these policies has guided his shift back toward the center this spring, and the New Democrats movement's leaders, who have close ties to Gore, don't know whether to be flattered or alarmed

Bush's initiatives have overlapped with New Democrat proposals in a number of areas. His emphasis on educational accountability echoes ideas advanced by the New Democrats. His call for partial privatization of Social Security and his embrace of Medicare reforms that emphasize more choices for senior citizens mirror ideas the DLC or the PPI [the think tank associated with the DLC] have advanced.

Even his recent proposal for a missile defense system coupled with sharp cuts in U.S. nuclear weapons stocks enjoys support from the DLC. "It is another case of a framework developed by Democrats," one centrist Democrat complained. "Democrats develop the idea, and Bush embraces it. It's one that had been urged on the Gore folks without success"

"George Bush is trying to steal the mantle of reform and innovation from the New Democrats, and we can't let him get away with it," said Will Marshall, who heads the Progressive Policy Institute.

But, of course, there is nothing Marshall or anyone else can do about it, short of taking solace in the fact that conservative Republicans don't like "W's" enthusiasm for the DLC's incremental approach to building a bigger, more intrusive government any more than he does. But he, and his movement, simply do not have the clout to push Al to far away from the Democratic party's core supporters, most of whom, as I said above, are on the far, and some might say, loony left.

And this brings us to the supreme irony of the Democratic campaign, namely that while Bush has become the "new progressive" in the race, Al has become (are you ready for this?) the reactionary candidate.

Reactionary? Al? One of the most liberal, big spending Democrats to ever sit in the Senate?

Yes, exactly. According to my *Harper Dictionary of Modern Thought*, reactionaries are people who "not merely resist change but seek to put the clock back and return to some earlier order of society which is seen as having possessed characteristics . . . which the present is felt to lack."

Al, remember, is the guy who thinks that the internal combustion engine is one of mankind's greatest threats, not to mention outdoor barbecues.

Al is the guy who thinks that virtually every proposal "W" endorses, many of which, as noted above, were developed by his own Democrats, is "risky." George Will put it this way in two recent columns.

Al Gore thinks it is risky. The antecedent of the pronoun "it" could be anything (school choice, tax cuts, entitlement reforms, the internal combustion engine, repeal of the designated hitter rule) that George W. Bush favors. But the risky thing currently alarming Gore, a professional hysteric, is Bush's proposal to allow Americans to invest a small portion of their payroll taxes in personal retirement accounts. . . .

What year will Al Gore inhabit today?

When discussing Social Security, he is a man of 1935: Nothing has happened, economically, or demographically, since that year of enactment to justify any significant recasting of the system, such as George W. Bush's proposal for allowing Americans to invest a small portion of their payroll taxes in personal retirement accounts.

When discussing ballistic missile defense, Gore is a man of 1972: Nothing has happened, geopolitically or technologically, in the 28 years since the Anti-Ballistic Missile treat was signed with the Soviet Union (that has changed), to justify anything more than a minimal system. And such is the fetish Gore makes of the ABM treaty, not even the minimal system should be built unless Russia (more change: its economy is now the size of Iceland's), by agreeing to amend the treaty, gives us permission to defend ourselves.

When promoting campaign finance reform, Gore is a man of 1974: In the quarter-century since the government embarked on the post-Watergate experiments with limits

on permissible kinds and amounts of political communication, nothing has happened to dampen enthusiasm for more of the same.

But Gore is generally a man of the 1950s, the decade when liberalism became a species of condescension. One of his objections to personal retirement accounts is that “tens of millions” of Americans are incapable of making elementary investment decisions. He says national self-defense, which appeals to most Americans, cannot be allowed to have a deleterious “impact on our ability to protect arms control,” which is the arcane responsibility of a small clerisy. And at the core of all proposals for more campaign regulations is the very Fifties fear that the lumpen American electorate is infinitely manipulable by what political money buys—advertising.

So there you have it. As I see it, for the time being at least, it’s the new progressives versus the reactionaries. Personally, I lament the demise of traditional conservatism, with its fear of too much power being centralized in Washington and its respect for what Russell Kirk used to call the “permanent things.” But as Johnny Cash once said in song: “I don’t like it, but I guess things happen that way.”

The “new progressive” Republicans are, I would guess, almost certain to carry the day. America’s baby boomers have no fear whatsoever of big government, change, or expanded worldwide trade. A growing number are comfortable with the stock market and are confident that they can do better with their Social Security contributions than the 2% or so they realize from “investing” in the Social Security trust fund. They want better schools and aren’t afraid to experiment a little to get them. They’re perfectly willing to tinker with new ideas for improving Medicare. And they don’t want their kids dying in a war, so they support a strong national defense, especially now that the government doesn’t have to go into debt to pay for it.

On the other hand, reactionary parties, whether in American or anywhere else, don’t have much of a track record. By definition, they tend to appear at times when the winds of change are blowing most strongly, and the result is that they get blown away.

Al and his people certainly know this. But they have a slight problem. For example, organized labor foams at the mouth at any initiatives to liberalize trade or at any discussion of Social Security privatization; the teachers’ unions are adamantly against any discussion of vouchers or any other innovation to improve education, short of a more money for teachers; the black leadership won’t tolerate even a hint of support for tax cuts; and various, liberal radical groups will take to the streets at even the mention of traditional family and religious values.

Over the long run, I believe, the Democratic party will abandon its the reactionary stance, as the political clout of the nation’s labor unions succumbs to the overwhelming power of the global marketplace; the teachers organizations are overwhelmed by demands for a better system of public education; as a new generation of black leaders emerges who are better able to play both sides of the political spectrum to the advantage of their constituencies; and as America’s powerful corporations continue to buy their way into the upper most ranks of the Democratic party’s leadership.

As I have said numerous times in these pages, the good news about this new political paradigm is that business, most especially big business, will do very well for a while. Their interests will become increasingly integrated with and dependent upon the federal government, which will give them a significant edge over their smaller competitors both in the United States and abroad. The financial markets will like this, for a while at least, the baby boomers will get richer, and everyone will be happy.

The bad news is the danger that federal government, allied with big business, will become increasingly corrupt and intrusive as its power increases exponentially.

I've written extensively over the years about this danger, so I won't dwell on it this week. Suffice it to say that, in my opinion, one of the legacies of the Clinton years will be to have demonstrated how very vulnerable, in a Weberian society, the system of checks and balances established by the founding fathers to guard against corruption is to a concentrated assault by determined paladins of dishonesty.

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