

The Political Forum

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

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THE IMMANENTIZATION OF THE ESCHATON

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Without question, the center ring in the Washington circus is occupied today by the Congressional debate over Newt's "Contract With America." Nevertheless, I am much more fascinated right now by the show going on in the little ring to the left.

In this ring, we see the biggest stars in the Democratic Party furiously debating the question, "Whither the Democrats?" We see men looking confused, and some even looking humble, who have seldom, if ever, displayed even the slightest doubt that they could solve all of society's ills, whether social, economic or political, if "the people" would just entrust them with enough money and enough power.

o We see Senator Patrick Moynihan, unquestionably one of the most intelligent men in Congress, predicting that his party will "disappear" unless it finds a "message." Yet he appears to be incapable of offering one of his own.

o We see the party's two House leaders, Dick Gephardt and David Bonior positing the idea that Democrats might regain favor with "the working class," if they offer larger tax cuts to this group than the GOP, and if they rail loudly against "the rich."

o We see Clinton's Chief of Staff, Leon Panetta, looking puzzled and unable to offer a clear answer when asked by political gadfly Sam Donaldson what Newt could possibly have meant when he announced that he (Newt) was a "revolutionary" out to change the world of the Democratic party leaders.

o We see eight-term time Congressman, Charles Schumer from Brooklyn, declaring that being in the minority is "more fun;" then stating that "it is too soon to say what our 10 basic bills are or what issues we'll run on in '96;" that it will take a while to "come up with something."

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o And we see the liberal *New York Times* declaring that if the Democratic party were a television show, "it might be called the 'Dysfunctional Family Feud.'"

For Republicans, all of this Democratic whiffing and soul-searching is great sport. But it is serious business too, for the success or failure of Democratic efforts to develop a viable political agenda will have a great influence on the political landscape of the next decade, and hence on the economy, and ultimately, on the financial markets. For this reason, I thought this week I would offer some observations on the issue; no conclusions, mind you, just some thoughts that might be worth considering as the exercise continues.

For starters, I would posit the theory that Democrats are having trouble determining what they "stand for" because the liberal idea, which has been the driving force behind their party for sixty-odd years, is exhausted. I'm not saying that liberalism has failed. Indeed, as I see it, the problem for Democrats is that liberalism has been too successful.

o Among other things, liberals can be proud of the fact that partially as a result of massive government redistribution programs, which trace their roots to the "New Deal" and to the "Great Society," America's poorest citizens eat better, are better clothed and better educated, have better housing, and have greater opportunities to improve their lot than the middle class in most countries.

o Largely as a result of the 1964 Civil Rights Act (in my opinion, a genuine jewel in liberalism's crown), America's minorities have iron-clad legal guarantees of equal opportunity, enforced by an elaborate array of federal government rules, regulations, and oversight.

o Finally, the Social Security and Medicare systems provide the nation's elderly with retirement security that I think probably exceeds even the wildest dreams of the architects of these programs, Franklin Roosevelt and Lyndon Johnson.

But I think that it would be a rare student of government and society that doesn't recognize that there is much truth in a host of conservative criticisms of liberal ideas and policies, along the following lines.

o That America's plethora of poverty programs are now doing in too many cases exactly what Roosevelt himself feared when he told Congress on January 4, 1935 that "continued dependence upon relief induces a spiritual and moral disintegration [that is] fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the 'human spirit'"

o That the modern day civil rights movement, begun by Dr. Martin Luther King, has gone beyond the original intent of providing every American with equal opportunity and equal justice, and has spawned a system of government-imposed racial quotas and set asides that has done immense harm both to social harmony and to self-esteem among some ethnic groups.

o That the Social Security and Medicare programs have turned into economic time bombs, which threaten to eventually cause inter-generational battles that could deeply tear at the nation's social fabric.

In short, I believe that Democrats no longer know where they are going because they followed the liberal path beyond where prudence would have dictated that they stop. As a result, they are wandering forlornly in those noxious territories warned of by such visionaries as Edmund Burke, Irving Babbitt, Ortega y Gasset, George Orwell, F. A. Hayek, Russell Kirk, Richard Weaver, and dozens of others who clearly saw the pernicious outcome of rampant egalitarianism and collectivism.

Now it is possible that Moynihan's warning will come true; that the Democrats will wander about in a political nether world, and eventually disappear like the legendary ten lost tribes of Israel. But frankly, I doubt it. For a while, at least, I think the Democratic party will angrily thrash around seeking a new path out of the wilderness, led by small groups of political troglodytes, who not only refuse to believe that the party has gone too far down the path toward socialism and egalitarianism, but actually argue that it hasn't gone far enough.

During this time, I think the GOP will try to tiptoe back up the liberal political path in an attempt to recreate a time in the past when the "New Deal" and the "Great Society" programs were collectively "noble," and not pernicious.

This is, in my opinion, a hopeless pursuit, and one that in a perfect world would be left to Democrats, while the GOP pursues a course far more ideologically removed from socialist dogma. But as Newt's statement that FDR is his favorite president indicated, there is more truth than fiction in the idea (to paraphrase Milton Friedman's remark when he heard Nixon declare himself a Keynesian) that "we're all democrats now."

Eventually, the parties will redefine themselves outside the framework of "big government Democrats" versus "not-so-big government Republicans." The dispute over the size of government and the role it should play in society will continue to be a significant element in the rift between the two parties. But the importance of this factor will wane as it becomes apparent to both sides that there isn't much room for dispute on this issue anymore, given that the government owes \$5 trillion, faces \$200 billion annual deficits for as far as the eye can see, and must begin preparing for the eventuality of some 75 million baby boomers applying for Social Security and Medicare.

It is, of course, impossible to know exactly what the principle new dividing lines between the parties will be. But I generally agree with Irving Kristol, one of the nation's leading intellectuals, who argued in a *Wall Street Journal* piece last August that attitudes toward religion and morality are emerging as a principle factor in American political life.

According to Kristol, "it is impossible to overestimate the dismay and confusion" that this is causing within the GOP. He particularly notes the occurrence of schisms between the party's "social-culture conservatives" and "economic conservatives." Members of the latter group, he says, have no problem with the idea of reforming welfare by making the system more efficient and less costly. But, he notes, they generally are not comfortable with the idea of reforming the people on welfare.

Kristol says that the GOP is "certainly not anti-religious." But, he says, "it is secular, as our political parties have always been." He asks rhetorically, "Wouldn't it be better if both our parties remain secular?" His answer is: "It probably would be." But then he notes that "that option has been foreclosed by the fact that the Democratic party has itself ceased being secular and has become secularist." He explains.

"A secular political party, in the traditional sense, has been neutral as between religions--at least insofar as they represent different versions of traditional morality. A secularist political party is neutral as between religion and irreligion; it believes that moral issues 'have no place in politics,' and replaces such issues with the idea of 'fair and equal' treatment of all 'lifestyles,' all beliefs about what is permissible and what is not.

"This is accompanied by a powerful animus against the dominant traditional beliefs, especially religious beliefs. The American Civil Liberties Union and the National Education Association faithfully represent this ideology, which explains why they are comfortable banning the Ten Commandments from the classroom but don't mind feminist or homosexual art."

Kristol predicts that, while the Republican Party is reluctant to recognize the emergence of religion as a principle factor in American politics, "resistance will surely crumble in the years ahead." Eventually, he says, "profound religious differences" will develop between the two parties and this in turn will shape modes of thinking about both social and economic issues.

Kristol does not expound in this piece on how religious differences will affect economic matters, so I thought it would be worthwhile to briefly explore the views on this issue of Eric Voegelin, who is without question one of America's most brilliant historians, philosophers and political theorists.

Voegelin was a senior research fellow at the Hoover Institution when he died in 1985. He was internationally famous for his four-volume work, *Order and History*. I couldn't begin to do justice to Voegelin's extraordinary scholarship in a short piece such as this, even if I were intellectually up to the task, which I'm not. But I would like to offer a few of Voegelin's thoughts from his remarkable 1952 book, *The New Science of Politics*. My paperback copy was published by The University of Chicago Press" in 1987.

Voegelin maintains that modern liberalism is fundamentally driven by a Gnostic view of the world. A principle characteristic of this view, he says, is that history represents a steady, positive, linear progression toward a higher moral order; in short, to some form of Utopian society. He describes this as the immanentization of the Christian eschaton.

This faith in the inevitability of human progress contrasts sharply, he says, with the Christian belief that man himself cannot perfect man. St. Augustine for one argued that the temporal ebb and flow of rulers and nations was essentially meaningless. He described the catalogue of day-to-day historical events, which he described as "profane history," as having neither direction nor meaning. Such history, he said, is that of a "saeculum senescens," an age that grows old."

The contrasting Gnostic view leads to a vastly different approach to government and economics than does the Christian view, Voegelin maintains. For starters, he says, Gnosticism inevitably

leads a society's members to believe that their particular society is an integral part of some grand historical order, that they are somehow ordained to advance the cause of mankind. This, he said, leads to the belief, despite any experience to the contrary, that their values are unassailable.

Specifically, he says, "the Gnostic fallacy destroys the oldest wisdom of mankind concerning the rhythm of growth and decay which is the fate of all things under the sun." One inevitable consequence of this, he says, is political fanaticism. This can take many forms but it always encompasses the belief that government action, rather than individual spiritual improvement, is the key to society's salvation.

One is reminded by this passage of the justly-famous "Saint Hillary" article, which appeared last year in the Sunday *New York Times Magazine*. Among other things, the nation's First Lady maintained in this interview, in what the *Times* described as the "gauzy and gushy wrappings of New Age jargon," that, with the help of government, we should all be involved in an effort to "remold society by redefining what it means to be a human being in the 20th century, moving in a new millennium."

Voegelin cites two principle dangers from modern day political gnosticism. The first is his contention that the Gnostic experiment in "civil theology" inevitably destroys true religion and leads to totalitarianism.

The second, and the one I think is more pertinent to modern day America, is that the promotion of the belief that a given society is pre-destined to fulfill some form of millenarian social role, can lead to a sort of "dream world" society, in which the nation pledges itself to various unrealistic social idealisms, such as the abolition of such phenomena as war, fear, want and the unequal distribution of property. He puts it this way.

"In the Gnostic dream world, . . . nonrecognition of reality is the first principle. As a consequence, types of action which in the real world would be considered as morally insane, because of the real effects which they have, will be considered moral in the dream world, because they intended an entirely different effect. The gap between intended and real effect will be imputed not to the Gnostic immorality of ignoring the structure of reality but to the immorality of some other person or society that does not behave as it should behave according to the dream conception of cause and effect.

"The interpretation of moral insanity as morality, and of the virtues of sophia and prudentia as immorality, is a confusion difficult to unravel. And the task is not facilitated by the readiness of the dreamers to stigmatize the attempt at critical clarification as an immoral enterprise."

Voegelin also argues that besides leading to disastrous economic policies, such a society will also pursue a foreign policy agenda that is dangerous both to itself and to humanity.

"Gnostic societies and their leaders will recognize dangers to their existence when they develop, but such dangers will not be met by appropriate actions in the world of reality. They will rather be met by magic operations in the dream world, such as disapproval, moral condemnation, declarations of intention, resolutions, appeals to the opinion of

mankind, branding of enemies as aggressors, outlawing of war, propaganda for world peace and world government, etc. The intellectual and moral corruption which expresses itself in the aggregate of such magic operations may pervade a society with the weird, ghostly atmosphere of a lunatic asylum, as we experience it in our time in the Western crisis . . . Gnostic politics is self-defeating in the sense that measures which are intended to establish peace increase the disturbances that will lead to war."

Voegelin goes on to discuss the aftermath of the Second World War in a way that is strikingly reminiscent of today.

"The facts are trite, and yet it is perhaps not sufficiently realized that never before in the history of mankind has a world power used a victory deliberately for the purpose of creating a power vacuum to its own disadvantage. And again, as in previous contexts, it is necessary to warn that phenomena of this magnitude cannot be explained by ignorance and stupidity. These policies were pursued as a matter of principle, on the basis of the Gnostic dream assumptions about the nature of man, about a mysterious evolution of mankind toward peace and world order, about the possibility of establishing an international order in the abstract without relation to the structure of the field of existential forces, about armies being the cause of war and not the forces of constellations which build them and set them into motion. etc.

So there you have it. Some food for thought, I hope.

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