An Alternative Interpretation

Vicente Navarro

'A main obstacle to change is the reproduction by the dominated forces of elements of the hegemonic ideology. It is an important and urgent task to develop alternative interpretations of reality.'

A. Gramsci, Ordine Nuovo, 1925

'They want you to despair. Don't. Change your lenses, and you will see many people where you saw none before.'

W. Guthrie, North American folksinger, 1936

CURRENT POLITICAL EVENTS IN THE U.S.: THE HEGEMONIC EXPLANATIONS

According to the most important agents of communication in the Western world, a political earthquake occurred on November 6th of 1984 in the US that is likely to have enormous implications for domestic and foreign policies. The Presidential election was widely interpreted as representing:

1. An overwhelming victory for ultra-conservatism in the US, strengthening the conservative wave that is assumed to be in motion throughout the Western developed capitalist world. Not only conservative and liberal, but even many radical authors, accepted this interpretation. For example, a leading radical in the US, David Plotke, warned the British Left in an article written shortly before the election that 'a Reagan landslide would provide the basis for consolidating a durable conservative regime [in the US] for the remainder of the Century.' This perception is echoed in many voices within the Western European Left that caution against moving Europe to the Left at a time when the ultra-right is strengthening its hold in the US. President Reagan, empowered by what is defined as an 'overwhelming popular mandate', is perceived as virtually omnipotent. Many of the changes taking place in the economic, social and military policies of several Left wing forces in Europe are at least partially explained by this specific reading of the 1984 election.

2. The end of the New Deal in the US, due to the collapse of the New Deal coalition and the discrediting of the Keynesian policies that sustained it. Here again, we find broad agreement on this point
among conservative, liberal and even many radical authors.* Just to mention a few examples of this position:

- The radical journal *Mother Jones* interpreted the November election as a popular rejection of 'unreconstructed New Deal liberalism. The New Dealers deserved their beating'.

- An economic correspondent for *The New York Times* portrayed the Democrats' 'ignominious defeat in November as . . . a resounding rejection of the New Deal creed of ever-more beneficent government programs that has dominated the Party for half a century'.

- The liberal economist J.K. Galbraith referred to Keynesianism as 'obsolete'.

- Everett Carl Ladd, from the liberal Urban Institute, explained the defeat of the Democratic Party as the result of Keynesianism running afoul intellectually.

- Mondale's main pollster, Peter Hart, after reviewing the significance of his candidate's defeat, concludes that 'the forces that put together the Democratic New Deal coalition are dead. It is past history and indeed we are moving into a new era.'

These are not solitary voices, nor solitary interpretations. They are the hegemonic ones, part and parcel of the new conventional wisdom.

3. **A strong anti-government mood in the county.** This mood is assumed to have been building up for some time and to explain Reagan's success in the 1980 election. People, it is said, are fed up with government, which is perceived—as the Republican Platform put it in 1980—as the problem. In the Democratic primary of 1984, the two major candidates—Mondale and Hart—frequently referred to that popular mood and the need for the Democratic Party to learn the lesson of the 1980 defeat. In his acceptance speech to the San Francisco Democratic Party Convention, Mondale called for reducing the Party's commitment to an expansion of government's role in people's lives. In the primaries, candidate Hart went even further. One of his favourite aphorisms was, 'To get the government off your back, [you have to] get your hands out of the government's pocket'

---

*Contrary to prevalent interpretations of US realities, American culture (and language) is highly ideological. There is a continuous redefinition of acceptable language in which unwelcome terms (and concepts) become recast in acceptable terms. In this article I use the American terms 'conservative', 'liberal', and 'radical' with the understanding that the term 'liberal' encompasses (using the British political equivalents) liberals and social democrats and the term 'radical' includes radicals, socialists, communists, and the radical branches of the social movements (e.g. feminist, ecology). I am also using the term 'Left' in a broad sense, as it is generally used in acceptable discourse, to encompass radicals as well as liberals. Only a small fraction of the American Left is anticapitalist.*
—a slogan with a clear Reaganite ring to it, which triggered Senator Kennedy’s remark that ‘We don’t need two Republican parties in this country.’

Actually, the 1984 Democratic Party Platform was the best indicator of how widely it is believed, among liberals and even radicals, that the lesson to be learned from 1980 is the need to reduce the call for government programmes and interventions in order to solve or ameliorate some of the major social problems that exist in today’s US. Despite the fact that never before have liberal and even radical forces (such as labour, blacks and Hispanics, feminists, ecologists, gays) been as visible and active as in the 1984 Democratic Party convention (almost 50 per cent of all delegates, for example, were labour delegates), the platform approved at that convention was the most conservative and non- (some could even say anti-) New Deal platform that the Democratic Party has had for a long time.”

As one example among many, the 1984 platform dropped the long standing commitment of the Democratic Party to a major, still unimplemented New Deal programme: the establishment of a national, universal and comprehensive health programme (NHP).* In its stead, the health section of the platform contained, as a major issue, the need to establish health cost controls and cut health expenditures as a way of reducing the federal deficit. The deficit became a major focus of Mondale’s campaign. This abandonment of that commitment to a National Health Program was in response to the liberals’ perception that, as David Mechanic, a leading liberal medical sociologist approvingly put it, ‘the heavy hand of government causes more problems than it solves’. Although radicals did not share this belief that government was the problem, many agreed with conservatives and liberals in perceiving the popular mood as anti-government. Two editors of Socialist Review, for example, lamented that ‘most Americans accept Reagan’s claim that social programs and welfare spending have gotten totally out of hand’ and that ‘most Americans now believe that the economy performs better with less government intervention and . . . with reduced growth rates for social policy expenditures’. And Dennis

---

*The American welfare state includes two types of social programmes: (1) New Deal-type programmes (the majority of which were established during the New Deal), including a) those that benefit the majority of the waged and salaried population such as Social Security, Medicare, College loan assistance and scholarships; and b) those that alleviate temporary hardship due to short-term job loss such as unemployment insurance; and (2) Great Society-type programmes including those directed at the most vulnerable sectors of the population, e.g. Supplemental Security Income, Aid to Families with Dependent Children, Food Stamps, Medicaid. The overwhelming majority of federal social expenditures go toward New Deal-type programmes. In the dominant discourse, ‘New Deal programmes’ is a code term representing all federal social expenditures.
Wrong, a leading member of the Editorial Board of Dissent, concludes a survey of the 1984 elections with the statement that 'Reagan's electoral victories strongly suggest that extension of the Welfare State, associated primarily with the orientation of the Democratic Party, has lost political appeal.'

4. A realignment of the American electorate, with the emergence of a new conservative majority, instrumentalised through the Republican Party, a Party defined by J. Judis (one of the editors of the radical In These Times) as 'the most vital political force in today's US' and the party that 'has shown increasing signs of becoming the governing party in the US'.

5. The validation of the success of Reagan's economic policies. The Republicans are presented as the party of 'new ideas', responsible for the economic recovery of 1984. Supply-side economics on the one side and monetarist policies on the other are considered innovative and successful components of Reaganomics worthy of emulation by other countries (both developed and underdeveloped). Many European governments (including some left wing governments), inspired in part by the success of Reaganomics, are now pursuing monetarist and austerity policies. Bettino Craxi, the socialist Prime Minister of Italy, has lauded Reagan as an economic manager who knows how to create jobs, and various figures in the Mitterrand government have voiced similar enthusiasm for 'le miracle de l'emploi' brought by Reaganomics.

6. The urgent need for the Democrats to abandon the New Deal and other 'old ideas' and prepare new alternatives that lessen the government's role in the solution to our problems. The Democratic Party's commitment to the New Deal and to what is known in Left wing circles as 'statism' is perceived to be the root of the Party's present crisis. This perception is not new. As I indicated before, it was reflected in the Democratic Party's interpretation of the 1980 defeat. It appeared clearly in the response of the Democratic-controlled Budget Committee of the US House of Representatives to the testimony of the President of the AFL–CIO, Lane Kirkland, on May 4, 1981. Kirkland, speaking on behalf of 13.5 million workers and for an ad hoc alliance of organisations representing the core of the Democratic coalition (the NAACP, the National Council of Senior Citizens, the National Women's Political Caucus, Americans for Democratic Action, and the Environmental Policy Center), urged an expansion of social expenditures. As T.B. Edsall reported, Kirkland's remarks met with sharp hostility from the Democratic leaders. Such antagonism toward the main labour leader from the 'left' political party would be inconceivable in any other Western democracy. Kirkland was accused of asking 'for more of the same, more
of the New Deal policies that have just been rejected overwhelmingly by the 1980 electorate.\textsuperscript{19}

Before moving on to analyse the evidence that sustains these explanations, let me first clarify that none of them (from the first to the sixth) is new. They have been present in all major media interpretations of each Democratic Party defeat. Every time a Democratic candidate has lost the election (McGovern in 1972, Carter in 1980, Mondale in 1984), the major media have interpreted that defeat as 'the End of the New Deal', 'the Collapse of the New Deal Coalition' and 'a popular mandate to reduce government's role in economic and social areas'. Actually, the collapse and 'end' of the New Deal is one of the most frequently announced events in American media. Only the end and collapse of Marxism is announced with greater frequency and vehemence (\textit{Time} magazine has carried an article on the end of Marxism at least twice a year since 1975, and that average has increased lately to four times a year). Stanley Keller has eloquently shown how remarkably uniform the response of the major media has been to the defeats of Democratic candidates.\textsuperscript{20} Let us focus, for example, on the 1980 Republican 'landslide', both because it is considered the starting point of the conservative wave that, according to David Plotke, will take us to the end of this century and because of its great similarities with the 1984 Presidential election.

\textbf{The 1980 Presidential 'Landslide': How It Was Interpreted}

In most media accounts of the 1980 Presidential election, the New Deal coalition also appeared very high on the casualty list. Stories in \textit{Time}, \textit{Newsweek}, \textit{The New York Times} and \textit{The Wall Street Journal} proclaimed its death. The only differences were in the characterisation of the corpse. \textit{The New York Times} defined it as 'collapsed',\textsuperscript{21} \textit{Time} as 'dismembered',\textsuperscript{22} \textit{The Wall Street Journal} as 'recked',\textsuperscript{23} and \textit{Newsweek} as 'shredded'.\textsuperscript{24} The \textit{National Review} summarised the prevalent reading of the 1980 Presidential election this way: 'It was the victory of an anti-New Deal coalition that really got rolling in 1968, when George Wallace and Richard Nixon between them put together a 60 to 40 landslide against the liberal candidate, H. Humphrey', and 'reached into all sections of the country when Nixon achieved his 49 state trouncing of George McGovern'.\textsuperscript{25} Jimmy Carter, in this perception, was 'an aberration, historically considered',\textsuperscript{26} whose Presidency was made possible by the Watergate scandals. The same media referred to Reagan's 1980 victory as 'stunning', 'decisive', a 'shocker', 'stupefying', 'roaring', a 'landslide', 'the most astonishing landslide in election history', the '80 quake', a 'tidal wave', and 'A Mt. St. Helen of disappointment and anger [for Democrats]'.\textsuperscript{27}

The overwhelming message presented by the media was that Reagan's 'decisive' landslide was a vote and a popular mandate for conservatism. As the liberal Anthony Lewis of \textit{The New York Times} put it, 'What
happened in the 1980 election reflected a profound and general turn to conservatism in the country. Thus, an enormous ideological avalanche took place that was consciously reproduced by conservative, liberal and even many radical authors. Left wing weeklies such as The Nation and In These Times lamented that enormous conservative mandate, a mandate that has overwhelmed, confused and paralysed large sectors of the Left in the US for quite some time.

Forgotten or left aside in this ideological avalanche were the following facts:

1. **Reagan's share of the total potential vote (26.6 per cent) was the third lowest of any winning candidate since 1932.** Reagan captured only a slightly higher percentage of the American electorate in 1980 than Ford did in 1976. The difference between the Republican vote in 1976 (26.2 per cent) and in 1980 (26.6 per cent) was less than .5 per cent, hardly the basis for defining that victory a landslide in favour of conservative Republicanism. Actually, Reagan's share of the total popular vote (50.9 per cent) barely exceeded that of Jimmy Carter in 1976 (50.4 per cent). Fourteen of the twenty winning candidates in this century had done as well. What liberals and radicals do not seem to realise is the bias of the US electoral system that clearly favours bipartisanism. Very small changes in electoral support produce large landslides in electoral results. For each percentage of the major party vote that Reagan won nationally, he won 1.64 per cent of the electoral vote and 1.56 per cent of the states. In spite of the hyperbolic reporting, there was no landslide in 1980.

2. **Voter support for Reagan was very soft.** According to the Gallup post-election poll, 37 per cent of voters decided to vote for Reagan during the last week of the 1980 campaign. Three surveys found that about 10 to 12 per cent made their decision on the very last day. Actually, the commitment of voters to candidates in 1980 was unusually weak. For example, in mid-October, only a few days from polling day, 43 per cent of Reagan's adherents among registered voters were 'more interested in voting against Carter than for Reagan', which speaks more of the unpopularity of Carter than of the popularity of Reagan. On election day, a quarter of the voters indicated that they had voted for the 'lesser of evils' while only 6 per cent indicated they voted for 'the better of goods'. The ratio of the former over the latter was the highest for any election since 1952. Moreover, in the Gallup Poll of popularity of Presidential candidates, conducted since 1952, Reagan emerged as the third least popular (after McGovern and Goldwater) of all the Democratic and Republican Presidential candidates since 1952. And among successful candidates, Reagan was the least popular of
Contrary to what the press was saying, polls were showing that Reagan was the least popular winning candidate since 1952.

3. **The 1980 election did not reflect support for the Republican Party.**

On the contrary, the popularity of both major parties, Democrats and Republicans, has been declining since the 1960s and continued to decline in 1980, the year of the alleged 'outstanding' Republican victory. In a 1980 *CBS/New York Times* poll, only 17 per cent of the public gave the Republican Party a 'highly favorable' rating compared with 25 per cent in 1970 and 34 per cent in 1967. An impressive decline in popularity! In the same year, only 28 per cent of the public gave the Democratic Party a 'highly favorable' rating, down from 35 per cent in 1970 and 42 per cent in 1967. In brief, we saw a decline of popularity of both major parties during the 1970s, particularly accentuated in the case of the Republican Party.

4. **The Gallup Poll found no more voters describing themselves as 'right of centre' in 1980 than it had in 1976.**

In fact, Louis Harris polls have noted a decline since 1968 in the proportion of the electorate describing itself as 'conservative.' Moreover, Warren E. Miller, reporting respondents' self-placement on the seven point liberal-conservative scale in the University of Michigan 1980 National Election Study, observed: 'Despite the swirl of controversy over the magnitude of the Nation's swing to the right, our data give little support to the view that there has been any dramatic change, at least since 1972. The proportion of self-declared liberals and conservatives has remained virtually constant, with at most a drift favoring conservative positions.'

5. **Popular support for New Deal-type programmes (such as Social Security and Medicare) and Great Society programmes (such as food stamps and Medicaid programmes) remained undiminished.**

All major polls in 1976–1980 (continuing to 1984) have shown vehement popular support for the core programme of the New Deal (Social Security), with 92 to 96 per cent of the population opposing cuts in this programme. Also, in 1979, 1980 and 1981, large majorities opposed cuts in federal aid programmes benefitting the elderly, poor, and handicapped; in general health programmes; and in federal aid to education. Moreover, large majorities were in favour of expanding rather than reducing government regulations to protect the health and safety of consumers, workers and the environment. Again, it is worth repeating that the evidence showing there was not a popular mandate to reduce social expenditures on either New Deal or Great Society types of programmes was overwhelming. The popularity of the most important New Deal programme—Social Security—was so solid that all candidates in 1980 felt obliged to
make the promise (later broken by President Reagan) that Social
Security was here to stay and would not be cut. Considering this
popularity of the major New Deal programme, the news of the
death of the New Deal was not only premature but greatly over-
stated.

It speaks of the overwhelming power of the dominant ideology (and of
the class interests it represents) that, in spite of the clear evidence that in
the 1980 Presidential election there was neither (1) a move to the right by
the American people nor (2) a popular mandate to carry out anti-New
Deal and anti-Great Society policies, the two sides of the political
spectrum—Republicans and Democrats—interpreted the 1980 elections in
precisely the same way: a popular mandate to reduce government inter-
vention, including social expenditures. Consequently, in March 1981, just
a few months after the 1980 election, the Congress passed unprecedented
anti-New Deal and anti-Great Society legislation. Senator Daniel Patrick
Moynihan told his colleagues in the Budget Committee that, responding
to the popular mood and mandate, 'We have undone thirty years of social
legislation in three days.' The vote for that undoing was unanimous,
and included leading liberals such as Senators Moynihan, Gary Hart of
Colorado, Howard M. Metzenbaum of Ohio and Donald W. Riegle, Jr.,
of Michigan. The liberal Democrats had read the 1980 election in the
same way as their Republican colleagues. Gary Hart (rehearsing his short-
lived bid for the Presidency in 1984) would later repeat one of his fa-
vourite themes, 'The failure of the liberal wing of the Democratic Party is
that it has run out of ideas with its continued adherence to the New
Deal.'

The conclusion that Congressional leaders of the Democratic Party
have drawn from the defeats of recent Democratic candidates (McGovern
in 1972 and Carter in 1980) is that they need to abandon or soft pedal
their commitment to the New Deal and other 'old ideas'. A detailed
examination of these two defeated candidates, however, shows that
neither could be called a New Dealer. McGovern (whose head of staff was
Gary Hart) did not run his 1972 Presidential campaign on a New Deal
platform, nor was he perceived as a New Dealer. He de-emphasised the
expansion of social programmes, abstaining, for example, from calling
for a National Health Programme. Actually, he was even perceived as
anti-labour by large sectors of the union movement. Not only as a result
of McGovern's stance on foreign policy issues but also because of his
economic and social policies, labour, for the first time in many years, did
not support the Democratic candidate. McGovern lost and Nixon
won another 'landslide'. The evidence shows, however, that had McGovern
campaigned primarily on New Deal issues, the Republicans would have
suffered a resounding defeat.

Carter, on the other hand, was elected in 1976 on a platform that
included the expansion of New Deal programmes, such as the establishment of a National and Comprehensive Health Program and the expansion of Public Service Employment. The reality of his term was quite different: none of these proposals was enacted. Actually (and contrary to what he promised), federal social spending as a percentage of GNP was reduced under Carter's Administration. For the first time in twenty years, social expenditures ceased their upward trend and actually started to decline. The annual real growth rate of federal social programme spending was more than halved under President Carter from its levels under Presidents Kennedy through Ford. This growth rate, which was 7.9 per cent under Presidents Nixon and Ford, dropped to 3.9 per cent under President Carter. Thus, Carter's defeat in 1980 can hardly be attributed to an expansion of New Deal programmes. In fact, it was Carter's failure to act on his stated commitment to these programmes that further contributed to the image of poor leadership he came to acquire in the latter part of his term and that explains in large degree his unpopularity in the 1980 election. The annual growth rate of social expenditures has further declined during the Reagan administration, to 1.5 per cent. However, many of Reagan's most brutal attacks in social programmes had their origins in the Carter Administration. As Arthur Schlesinger has indicated, Carter was the most conservative Democratic President since Grover Cleveland.

THE 1984 PRESIDENTIAL ELECTION: QUESTIONING THE HEGEMONIC INTERPRETATION

Not uncharacteristically, the defeat of candidate Mondale in the 1984 Presidential election was presented as (a) an overwhelming landslide for Reagan, (b) the outcome of a conservative mood in the country, (c) proof of the death of the New Deal and the collapse of the New Deal Coalition, and (d) a mandate to continue the anti-government policies carried out by Reagan in his first term. According to that interpretation, Reagan had indeed convinced the American people that Government was the problem, not the solution.

As in 1980, conservatives, liberals and even some radical voices interpreted the 1984 election in remarkably similar ways. And, once again, left and liberal forces felt overwhelmed and defeated. Forces within the Democratic Party immediately started a witch hunt, trying to finger those responsible for the loss of the United States to the Republicans. Two editors of Dissent accused the 'extreme' Left of causing the defeat of the moderate and 'reasonable' Left. Jeremy Larnor blamed the Jackson campaign for Mondale's defeat, claiming it frightened whites and drove them to vote for Reagan. Along the same lines, Joseph Clark placed the blame with the anti-Vietnam war movement of the 1960s, supposedly responsible for discrediting Left wing positions in the US through their association with a communist movement—the NLF of Vietnam. Although
these accusations are extreme and not representative; they are nevertheless symptomatic of the Democratic response to the defeat; i.e. the search for culprits within the Left. The rise of ultraconservatism and the collapse of the New Deal is otherwise presented as an unquestionable fact.

Although the detailed analysis of people's opinions, popular moods and popular electoral behaviour has yet to be prepared, enough information is already available to enable us to question these hegemonic interpretations of the 1984 Presidential election. Just as the dominant interpretation of the 1980 election was wrong, the dominant interpretation of the 1984 election is equally inaccurate. Let me be specific and present information that questions each interpretation.

The Death of the New Deal: Once Again?
Regarding the alleged overwhelming wave toward conservatism, it is worth noting that only 6 per cent (just one per cent more than in 1980) of voters in 1984 indicated that they voted for Reagan because of his ultra-right and conservative philosophy. They voted for Reagan primarily because they felt that the recent economic recovery (starting in late 1983) was benefitting them or was likely to benefit them in the near future. One has to remember that just a year and a half before the 1984 election, during the depression of 1982–83, Reagan was the most unpopular of the last six Presidents. None of the prior six presidents had sunk this low after just twenty-four months in office. As indicated by W.C. Adams, 'Reagan's scores declined so dramatically, they quickly reached the depths of those given Lyndon Johnson in 1968, Richard Nixon during Watergate, and Jimmy Carter after prolonged economic and hostage agony. This comparison alone ought to debunk the myth of the teflon president.' The unimpressive Reagan recovery after 1982 was the outcome of the economic 'recovery'. But, even with this 'recovery', Reagan's rebound in the polls from 35 per cent approval rating (January 1983) to 57 per cent (September 1984) was rather weak. Carter and Ford had enjoyed higher rebounds in the polls than Reagan. It was the economic recovery (to be explained later) that led to that increase of electoral support for the Reagan Administration but not for the Republican Party. According to a Pen-Schoen Poll taken after the election, almost half of the electorate did not believe that the Republicans had proved they knew how to run the country. Also, two-thirds disagreed with the assertion that the country is best served by a Republican during times of serious economic problems and half suggested that Reagan's performance in office had not changed their opinion of the Republican Party. A plurality indicated that they would prefer to support a Democratic candidate for President in 1988.

As for the so-called popular mandate to cut social expenditures, the exit polls on election day, as well as other polls, show very clearly that there was not popular support for Reagan's austere social policies. Polls...
carried out on election day (exit polls) found overwhelming support for both New Deal and Great Society programmes; 80 per cent of voters expressed support for equal or more social expenditures and only 15 per cent said they were for cutting funds for these programmes. Moreover, favourable views of Great Society type of programmes increased between 1980 and 1984 according to The New York Times/CBS News Poll: The proportion of people saying that such programmes 'had made things better' rose from 31 per cent in 1980 to 41 per cent in 1984, while the percentage maintaining that these programmes 'had made things worse' fell from 21 per cent in 1980 to only 19 per cent in 1984.

And in January 1984, at the height of the debate about how to reduce the federal deficit, 95 per cent of those questioned in The Washington Post/ABC News Poll vehemently opposed any cuts in Social Security and 62 per cent opposed cuts in general social programmes while only 23 per cent opposed cuts in the defence budget. Election Day referendums are another indicator of support for social expenditures. More pro-social than anti-social expenditure referendums were approved. Although California's rejection of cuts in welfare benefits was the most publicised, there were many other referendums that showed broad support for social expenditure. The evidence is clear; the popular support for New Deal and Great Society programmes had not diminished on election day. The popular support for those programmes has been high and constant during all the years of the Reagan Administration. Poll after poll, year after year, the evidence is overwhelming. Let's start with 1981, the first year of the Reagan Administration. In the September 1981 Harris Poll, which asked respondents to identify specific cutbacks that were less preferable than 'not balancing the federal budget', the majority indicated that 'federal aid to the elderly, poor and handicapped', 'federal health programs', and 'federal aid to education' should not be cut. In the February 1981 Washington Post/ABC News Poll, two-thirds of respondents, incidentally, agreed that 'the government should work to substantially reduce the income gap between the rich and the poor', precisely the opposite of what government policy was at the time and continues to be. Regarding government regulation, the October 1981 CBS/New York Times Poll found that 67 per cent of respondents wanted to maintain present environmental laws even at the cost of economic growth.

Opposition to any reduction of government expenditures for the poor, elderly, and handicapped and for health services also extended to state and local governments' expenditures. For example, The New York Times reported on February 4, 1982 that a 1982 opinion poll (sponsored by the Federal Advisory Commission on Inter-government Relations) found that the public, if faced with the necessity to accept cutbacks in state and local government services, would prefer cuts in assistance to parks and recreation, colleges and universities, and streets and highways over...
aid to the needy. Only 7 per cent favoured cuts in services to the needy.

Thus, there is very strong evidence that people oppose any reduction of government expenditures for the handicapped, poor, elderly, and for health and education. Professors Carl Ladd and S.M. Lipset, after reviewing available evidence, concluded that the same polls that found the public would like to reduce 'welfare' also found that they opposed cuts for the elderly and special education or services for blacks, the poor, the handicapped, or the needy. Also, they found that the majority of people continued to support the welfare state.

As to 1982, the second year of the Reagan Administration, the March 1982 CBS/New York Times Poll on priorities among alternatives to reduce the federal deficit found that the proposal to cut spending on programmes for the poor had less support (29 per cent) than proposals to reduce the size of income tax cuts (59 per cent) and reduce proposed spending on military and defence (49 per cent). People were asked: 'To reduce the size of the federal deficit, would you be willing or not willing to have the government reduce proposed spending on programs for the poor?' Only 29 per cent said they would be willing, while 63 per cent said they would not be. Even the most maligned of the transfer programmes, Aid to Families with Dependent Children and Food Stamps, were supported by 57 per cent of the respondents. Similarly, one of the leading pollsters in the country, Lou Harris, indicated in 1982 that his polls since 'the end of 1981' have been showing that by a very large majority (84% to 12%), the American people do not want any rollback on the requirements of the Clean Air Act; that by 62% to 34% Americans would prefer military spending be cut before health programs; a huge majority, 75% to 22%, do not want cuts in Medicare or Medicaid; by 63% to 30% a majority opposes a ban on abortions'. Harris further added 'When people are asked whether to cut Medicare or defense, they vote to save Medicare by four to one; and when Medicaid is pitted against defense, it wins three to one.' He concluded: 'People all over the country have been profoundly shocked to find that the people running the country seem to be in favor of segregation, seem to want to abolish abortion and birth control, seem to want to abandon the poor and the elderly and the minorities. . . and that the American people [think] that America could well be systematically stripped of all its compassion for decency and humanity. . . but they are just beginning to get fighting mad about it...'

During 1982, there was also a high and continuous support for government regulations to protect workers, consumers, and the environment. Regarding industrial safety, 75 per cent of the respondents in a nationwide poll indicated that they favoured keeping without weakening the current government regulations aimed at protection of workers against actual and potential damage. Similar levels of support for social expenditures and for government regulations to protect workers, consumers, and the
environment appeared in all major polls in 1983 and 1984.69

In summary, for many years, poll after poll has shown that the majority of Americans do not want cuts in social and health care programmes or in programmes for the elderly, the poor, and the needy. Nor do they want a weakening of the health protection of the worker, the consumer, and the environment. Also, and contrary to widely held belief, the majority of Americans favour more, not less, government intervention in supporting people's lives and welfare. For example, in the health sector, most Americans would be willing to pay even higher taxes if those taxes were spent on health services; feel that there is a need for national health insurance, which would require greater government intervention; think that the benefits of government regulation or the costs of medical services and drugs outweigh the drawbacks; and support federal control of doctors' fees, hospital costs, and prescription drug use. And the size of those majorities has increased rather than declined during the Reagan years, forcing the influential National Journal to warn the US establishment that people are asking for 'creeping socialism'.71 As John P. Robinson and J.A. Cleisman have written, the shift in popular opinion seems to be more in the liberal or anti-conservative direction since Reagan's election in 1980.72 And Lipset, after reviewing all popular opinion polls, concluded that during all these years, 'most Americans remain more liberal (Left) than the President on economic, defense, foreign policy, and social questions ~' Even Senator Paul Laxalt, a close friend of Reagan and the Chairman of the Republican National Committee, noted 'the strange phenomenon that most Americans. . . are opposed to much of what the President supports'.76

On the basis of all this data, it is clear that (1) the level of popular support for New Deal and Great Society type of programmes has been and continues to be very high for the former and high for the latter; (2) there has not been a popular mandate to cut social expenditures—to the contrary, the mandate has been to maintain and even expand social expenditures and government social regulation and interventions; and (3) the defeat of the Democratic candidates in 1972 (McGovern), 1980 (Carter) and 1984 (Mondale) cannot be attributed to their very limited, even non-existent commitment to expand the New Deal and other forms of social expenditures.

The Collapse of the New Deal Coalition: Again?
As for the collapse of the New Deal coalition (labour and minorities), it is worth noting that the percentage of individuals from union households, blacks, Hispanics, Jews and the unemployed (the core of the coalition) who voted Democratic actually increased in 1984 over 1980. 53 per cent of union households, 90 per cent of blacks, 65 per cent of Jews, and 68 per cent of the unemployed voted for Mondale in 1984,
compared with 48 per cent of union households, 85 per cent of blacks, 59 per cent of Hispanics, 45 per cent of Jews, and 51 per cent of the unemployed who voted for Carter in 1980. If instead of union households (that includes families), we consider union members, then 57 per cent voted for the Democratic candidate. And if we include AFL–CIO members (excluding the pro-Reagan teamsters), then 60 per cent of labour union members voted for Mondale. Some sectors of labour, like the steel-workers, voted Democratic 66 per cent. The overall percentage of blue- and white-collar workers voting for a Democratic Presidential candidate was virtually the same in 1984 as in 1980. In light of these figures, the contention that the New Deal Coalition collapsed or that labour unions have abandoned the Democratic Party seem questionable. Moreover, while the Democratic Party lost the Presidential election, it did not lose in the many Congressional, state house and gubernatorial elections that were taking place at the same time. Nearly 65 per cent of all elective positions were won by Democrats in 1984, with the New Deal coalition playing an important role in these victories. For example, 63 per cent of the union-backed candidates for Congressional seats and governorships won. Actually, the news of the evening on election day was the failure of Reagan’s victory to carry other Republicans in on its coat-tails. The anger and frustration of the ultra-right was justified. As a leading figure of the ultra-right, Richard Viguerie, indicated, 'The 1984 election will rank amongst the all time greatest blunders in American politics because Reagan double crossed lower level Reaganite candidates.' As The Economist noted, the November election was a victory for Reagan but not for the Republican Party: 'The US Congress, instead of becoming more conservative, turned out to be a bit more liberal.' Equally important is the realignment of Democratic forces within the US Congress, with fewer conservative members occupying key positions than in 1980 or 1982. The powerful US House Budget Committee, for example, is now chaired by Representative W.H. Gray, a member of the Black Caucus—without doubt the most progressive caucus within the US Congress. It is important to stress that these changes are not earth shattering. However, in the US, political progress is always measured in millimetres, not miles, and small changes make a difference. For example, they can make the difference between Congressional support for, or opposition to, assistance to the 'contras' in Nicaragua, or acceptance of, or resistance to, cuts in social consumption.

In the State Legislatures and Governorships, the Democrats continued to hold an overwhelming majority. In all those Democratic elections, the New Deal coalition (labour and minorities) continued to play a critical supportive role. Similarly, they have played a critical role in the last Municipal Elections in the US, in which there has been a shift towards the left (towards less conservative mayors) rather than towards the right.
Coleman Young in Detroit, Wilson Goode in Philadelphia, Tom Bradly in Los Angeles, Harold Washington in Chicago, Thurman Milner in Hartford, and Flynn in Boston, won because of labour-minority alliances. This labour-minority alliance also played a pivotal role in putting in the Democratic column the twenty largest urban centres of the US in the last Presidential election.

It is difficult to conclude from all this data that the New Deal coalition has collapsed. The New Deal coalition is very much alive, and has recently broadened its base to include feminists and ecologists, two important mass movements in the US. Although conservative forces from both parties would like the American people to believe that the New Deal coalition is indeed dead, the reality is another matter. Actually, what we are witnessing in today's US parallels the situation in Western Europe: a shift within the Left or progressive parties, with movement to the Left in local municipal elections and a shift to the Right (explained by 'national and international economic and political imperatives') at the national level.

In light of the data presented so far, what needs to be explained is not the defeat of Mondale but rather the support that he received from the bases of the Democratic Party, of which the New Deal Coalition was a key, one. Mondale's main campaign platform was to reduce the federal deficit by raising taxes. He even indicated that there was a need to reduce social consumption as a way of reducing the deficit, as if those social expenditures were responsible for the deficit. Despite evidence to the contrary (to be shown later), Mondale seemed to share the belief, expressed by pollster Daniel Yankelovich, that 'the growth of the welfare state imposes heavy constraints in the economy, while the slow growth of the economy chokes off the support the welfare state needs if it is to thrive'.

Although reduction of the deficit was the main issue in Mondale's campaign, only 5 per cent of the American people considered this to be an important issue* and only 12 per cent felt that Reagan was responsible for the deficit. There is significant evidence that the American people are willing to pay higher taxes if these extra revenues go to provide social services for all the population, e.g., a National Health Programme. However, they are certainly not willing to pay extra taxes to cover an abstract category, called 'the deficit'. In brief, Mondale did not run as a New Dealer, nor was he perceived as such. He was running away from the New Deal, not to be identified as such. The New York Times characterised his economic and social policies as 'bluntly conservative'. In spite of this, the bases of the Democratic Party supported Mondale (1) out of party loyalty, (2) because many share the assumptions of the dominant ideology (see my remarks about the Democratic Platform) and (3) above all, because of a strong perception among the New Deal coalitions that Reagan was the most anti-labour and anti-minority President that the US had had during this century.

A final point of clarification. What I have said so far should not lead to
the opposite conclusion that Mondale would have won had he made the commitment to establish a National Health Programme (or any other New Deal programme) a central issue in his campaign. To defeat an incumbent President is very difficult indeed in the US. Presidential patronage, as well as Presidential influence in creating economic, social and 'media events', cannot be underestimated. Only one president (Carter) out of the last ten has not been re-elected. It is particularly difficult to unseat an incumbent President when inflation and unemployment are perceived as declining, as happened in the 1984 election. But it is equally erroneous to believe that Mondale lost because of his non-existent commitment to the expansion of the New Deal.

The Ideological Creation of Events and Establishment of the New Conventional Wisdom

Previous sections of this paper have presented information that contradicts the major interpretations of the 1980 and 1984 Presidential elections that have been given by conservative, liberal, and even some radical authors. A very urgent question that needs to be addressed is why large sectors of the Left have accepted these dominant interpretations.

One explanatory factor is the absence of a left wing mass movement in the US, and thus the nonexistence of a mass-based socialist or communist media. The dominant corporate media reproduce unhindered a whole set of symbols, messages, values and interpretations of reality that permeates all political positions, including those of the Left. Liberals and even radicals are easily absorbed in a terrain in which conservatives are dominant, not infrequently reproducing the same schemas and interpretations offered by the Right. The difference in their interpretation tends to be one of tone rather than substance. While the Right applauds, the Left laments. Otherwise, the interpretation is remarkably similar.

This situation has become doubly clear in the current conjuncture in which the ideological mean within the dominant corporate ideology has moved even further to the right. The best indicator of this is the adoption by ABC, a major news broadcasting corporation, of the ultra right wing journalist George Will as the 'centre' ('reasonable') moderator of the evening news on television, heralding the values of private property, social austerity and social Darwinism to the American population as they eat their supper and watch the news. There is little doubt that there has been a further move to the right by the American establishment, including its media. Corporate media does not reflect popular mood and opinion. Rather, it contributes to create it, in accordance with the values of the dominant establishment forces that define the parameters of 'reasonable' discourse. In the same way that those dominant forces are not uniform, that 'reasonable' discourse is not uniform either. Diversity does exist—although within dramatically narrow boundaries. Socialist and communist
views are rarely, if ever, presented in the major American media. The corporate dominant interpretations of reality are the ones reproduced and presented. To acknowledge this reality is not to deny the existence of diversity or to suggest that popular views are a mere reflection of views transmitted by the dominant media. As Gramsci indicated, the views of the working population are a synthesis of a matrix of views and practices, of which the dominant ones are important but not the only ones. Those dominant views are measured against information absorbed from their own practice, which is frequently in contradiction with establishment perspectives. This explains the apparent paradoxes (referred to by some established figures as schizophrenic opinions) regarding popular views of reality.* For example, when people are asked their views about government in general, they will likely reply—reflecting the dominant views transmitted day after day and evening after evening—that we have too much of it. But, if instead they are asked about specific government programmes and interventions that affect them or affect others whom they know, then, the overwhelming response is one of support. Similarly, if asked about their attitudes towards 'welfare' programmes, the response tends to be antagonistic, reflecting the mass media image of the welfare 'cheater'. However, if one asks for opinions about the main welfare programmes, without ever using the term 'welfare', people's response is quite different. The majority support those programmes. Incidentally, when people are asked their opinion of 'socialism', the overwhelming majority respond negatively. But, if people are asked (as they have been by Hart Pollsters) whether workers, employees and community residents should control the enterprises located in their communities, the overwhelming majority answer that they should.

In summary, the message that people receive from the top is contrasted with the message that people get from their own practice at the bottom. Both messages are important in shaping people's opinions. This situation explains why the working population never repeats mimetically what the establishment wants them to believe. Their own practice produces messages that frequently conflict with dominant ideology, making the working population receptive to alternative messages. Potential receptivity accounts for the narrowness in the diversity of the major establishment media.

It should also be pointed out that American establishment media create events that may or not correspond to reality. A clear example is the alleged anti-tax revolt that surfaced in California in 1978 with Proposition 13. Peretz has convincingly shown that there was no such anti-tax revolt.** Although the anti-tax Proposition 13 in California was successful, many other pro-tax referendums were passed at the same time but were ignored by the media. Instead, the establishment media focused on Proposition 13, trumpeting the anti-tax rebellion. It was that media campaign that was responsible for the subsequent rise in popular dissatisfaction.
with paying taxes. When the media event subsided, so did that anti-tax mood. Dissatisfaction with paying taxes has been remarkably constant, and is related more to the regressive nature of taxation than its overall levels (as I will explain later). Another media created upsurge was the increase of self-declared Republicans among the population after the 1980 election. The continuous trumpeting of the Republican 'overwhelming victory' created that upsurge, after the election, to be reduced again shortly after in 1981 and 1982.

In brief, American people tend to be rather consistent in their popular opinions (expressed through polls), including their sustained support for New Deal and Great Society programmes. A valid question that may be raised at this point is why, in 1984, they voted for a Presidential candidate who so clearly opposed these programmes. The answer to that question needs to be given at different levels. One explanation is that the overwhelming majority of US Presidents have been elected by a minority, not a majority of potential voters. And President Reagan, elected by a mere 29.8 per cent of potential voters in 1984 and 26.7 per cent in 1980, was no exception to this trend.

Still, the question may be asked again. How is it that so many people voted for Reagan despite the fact that they did not support his social policies? The answer to that question involves the nature of Western democracy and its profound limitations. The act of voting is based on a totalising interpretation of policy. In other words, in the act of voting (except in referendums), people are asked to vote for totalities, not for sectional choices. One votes either Republican or Democratic. But one cannot vote selectively, i.e., one is not offered the chance of voting for the many components of those policies (such as education, health services, transport, employment policies). The vote is everything or nothing. In Walter Lippman's words,

We call an election an expression of the popular will. But is it? We go into polling booths and make a cross on a piece of paper for one of two or perhaps three or four names. Have we expressed our thoughts on the public policy of the United States? Presumably we have a number of thoughts on this and that with many buts and ifs and so on. Surely the cross on a piece of paper has not expressed them."

Representative Democracy, on this view, is dramatically insufficient. It does not measure, nor does it reflect, the popular will on the many dimensions of public life. Electoral behaviour and popular opinion are not synonymous. Thus, there is not contradiction or schizophrenia involved in Reagan winning the election while the majority of the people (including his voters) have different and even opposite views on many and even the majority of Reagan's policies. The paradox of the last election—that the majority of the electorate seemed to be in disagreement with many of the
Reagan positions yet still the majority of those who went to the polls voted for him—is not incomprehensible. Voters chose Reagan primarily because they identified the economic recovery (and very much in particular the decline of inflation) with his policies. It is understandable that the Right wing wants American people to believe that the vote was a vote for all Reagan policies. However, it is extremely important to point out that the evidence shows otherwise. Not only the polls, but the referendums show that the majority of the American population had not abandoned the New Deal, nor were they in favour of cutting social expenditures. There was not a popular mandate in 1980, nor is there one in 1984 for the anti-New Deal and anti-Great Society policies of President Reagan.*

II

ANALYSIS OF CURRENT REALITIES: THE CLASS BEHAVIOUR OF THE REPUBLICANS AND THE NON-CLASS BEHAVIOUR OF THE DEMOCRATS

The first section of this paper questioned the major hegemonic interpretations of the 1980 and the 1984 Presidential elections. In this section, I will focus on what has been happening in the US during this period. But first, an elementary truth needs to be restated: The US capitalist class is the most powerful capitalist class in today's world. In a truly Gramscian fashion, the interests of this class have been presented (and accepted) as the universal interests. Thus, to be anti-capitalist is perceived to be anti-American. Indicative of the power of this class to define the dominant discourse is the fact that, aside from references to the US as a middle-class society (a society in which the majority of Americans are supposed to be in the middle between the rich and the poor), the power category of class never appears in the media.† Consequently, the most powerful capitalist class on earth appears as non-existent, i.e., a 'silent' class. Very rarely are those 'on the top' presented, discussed, applauded or denounced as the capitalist class, a term that usually is dismissed as 'rhetorical', and therefore an object of suspicion, i.e., for ideologues but not for serious people. The US capitalist class, however, is the most class conscious of all classes in the US. And the current leadership of the Republican Party represents the most 'class conscious' strata within that class. In the unrestrained pursuit of its interests, it has exhibited the most aggressive class behaviour

*Although this article focuses on domestic policies, there is similar evidence showing that American popular opinion does not support many of the major initiatives and assumptions of Reagan’s foreign policy.

†It is interesting to note that more US people define themselves as members of the working class (48%) than of the middle class (43%). The Establishment’s media, however, never refers to the majority of the US population as working class. Rather, they define it as middle class.
that the capitalist class has shown since the beginning of this century. One of its most substantial class achievements has been the weakening of the base of support that government has provided to organised labour in its dealings with management. This has been accomplished through sharp reductions in unemployment insurance, through the complete dismantling of the public services job programme, through the weakening of the Occupational Health and Safety Administration, through the appointments of persons hostile to organised labour both to the National Labor Relations Board and to the Department of Labor, and through the reduction of social expenditures. Similarly, Reagan's tax and economic policies have benefited primarily the capitalist and upper middle classes and have hurt the lower middle and working classes. The Reagan leadership and the Republican Administration have followed an unprecedented aggressiveness in their class behaviour. To be rich is to be best in America.

The opposition party—the Democratic Party—however, does not represent any form of class behaviour.* Not even a semblance of class discourse appears. Even within some sectors of the radical left, class has been dismissed as a constraining and irrelevant category to be replaced by more meaningful categories. This situation is largely due to the lack of a mass socialist culture in the US, which makes radical intellectuals not only easily manipulated by the corporate media but also very receptive to the latest intellectual trends and fashions generated elsewhere, particularly in Europe. Let me elaborate on this. An extremely important debate in Europe in the 60s and 70s focused on the need for left-wing forces, whose political and economic instruments have always emphasised class behaviour (i.e., the working class party and the class-based union) to relate those parties and unions to new forms of social movements that do not have a class base or practice. The feminist, ecological and peace movements, for example, while having an anti-capitalist potential, do not base their modus operandi on class. Thus, there was indeed a great need for the European socialist and communist Left to break with class reductionism and expand and articulate its interventions with non-class social movements. A new theoretical production appeared within the European Left that emphasised the importance of these non-class based movements (such as the feminist, ecological, anti-nuclear and peace movements) as important agents of social transformation. Many US radicals borrowed and reproduced that problematic into the US. For example, one of the most influential radical authors in the US, Immanuel Wallerstein, wrote a review in an American journal, Contemporary Marxism, of the possibilities for social transformation in the developed capitalist world. He concluded that review with the

*I want to clarify that working class behaviour and anti-capitalist behaviour are two different things. Swedish labour follows class practices that are not anti-capitalist. See Ref. 102 for an expansion of this important distinction.
remarkable statement that the US is closer to profound changes than Western European countries, because the US Left is not stuck in class analysis and practices and because there is a large Third World population within the US and a strong US women's movement. Wallerstein and other radicals seem to be unaware that, while there was a great merit for the European Left (heavily involved in class practices) to discover the non-class mass movements, the situation is precisely the opposite in the US—where there exist all types of non-class movements but no class-based political party (except the Republican Party) or union. Actually, one of the most successful capitalist class interventions in the US was to outlaw any form of class behaviour on the part of its antagonist: the working class. The Taft–Hartley Act forbade American labour to act as a class and forced it to function as just another 'interest group'. No other Western capitalist country has faced this situation. This splitting of the working-class into different interest groups dramatically redefined all elements of political, economic and socio-cultural behaviours and possibilities. Class has disappeared from reasonable discourse; terms such as 'capitalist class', 'petit bourgeois', and 'working class' are dismissed as ideological. Instead, the new terms of political discourse are 'the rich', 'the middle class' and 'the poor', all defined in the area of consumption rather than in terms of the relationship of people to the means of production. Language, however, is not innocent. It does indeed reflect the power relations in society. The working class has been redefined in terms of biological categories (black, white, Hispanics, women, men, the aged) and in terms of consumption (rich, middle, and poor). The political, economic and social consequences of that redefinition of the working class into interest groups are enormous. And their importance for understanding today's US is great.

The disappearance of class from political discourse does not reflect, of course, any disappearance of classes from the American landscape. The category of class continues to be of undiminished importance in explaining the political behaviour of the US and of all its agents, including the social movements. For example, the gender gap in political behaviour, with

---

*Wallerstein's dismissal of class and his emphasis, instead, on social movements as the major agents of change explains his conclusion that the US is closer to profound changes than other 'western industrialised countries'. Past and current experience shows precisely the opposite. Among developed capitalist countries, no other country has more social movements and less class practices (by the dominated classes) than the US. And no other capitalist developed country has (1) a less developed welfare state, (2) a more-stable capitalist system and (3) a stronger capitalist class, than the US. As I will discuss later, those societies where the dominated classes follow class practices, have larger welfare states and more progressive legislation and programmes to benefit all sectors of the working population (including women and feminist rights) and better protection of occupational and residential environments than those societies, as in the US, where the dominated classes and forces do not follow class practices.
women voting more progressively than men, is in large degree due to the fact that women occupy the lower echelons of the working class (lower paid and less secure), making them more receptive than men to calls for social change. Without denying the enormous value of the feminist movement in changing popular attitudes, the material base upon which ideological messages are reproduced cannot be dismissed. Other countries without strong feminist movements are also witnessing changes in electoral behaviour of the sexes. Moreover, several polls have shown that the gender gap in the US is caused more by women’s response to economic issues rather than by issues considered to be women’s issues, (such as abortion, gender related legislation, equal gender representation in political institutions). In summary, while it is erroneous to view our reality only in terms of class, it is extremely wrong to ignore class as an important category of power and organisation that serves to explain the nature of our realities.

Class, Taxes and Social Legislation
Class practices are also important to an understanding of social policy in the US. Social legislation has been very different in those periods such as the New Deal, when labour operated as class, from periods like the 60s when labour operated as an 'interest group'. During the New Deal, social legislation (e.g., Social Security) benefited for the most part all sectors of the working class. The Great Society legislation of the 1960s, on the other hand, responded to 'interest group' behaviour and affected only the most vulnerable sectors of the working class (e.g., food stamps for the poor). An exception was Medicare which, while based on a biological criteria (age), benefited the majority of the population since everyone was a potential recipient. Thus Medicare could be considered as a New Deal type of programme.

During the last forty years the expansion of social expenditures has affected both types of programmes, although the overwhelming growth of these expenditures has been in New Deal type programmes. As shown in the last section there has been undiminished support for both types of programmes, although support for existing New Deal programmes is higher (95 per cent of the people) than for the Great Society programmes (68 to 72 per cent, depending on the programme). Given the current ideological avalanche, it is important to repeat that both types of programmes are popular, with 94 per cent of the population vehemently opposing cuts in Social Security, the key programme of the New Deal. This enormous support for Social Security did force candidate Reagan to promise the American people in 1984 that he would not cut Social Security benefits (although 46 per cent believe that he will). Also, 62 per cent oppose cuts in social programmes for the aged, poor and disabled (although 65 per cent feel Reagan will cut them in his second term).
These programmes are funded with taxes paid by wage and salary earners. Table I shows that while income taxes and very much in particular social security taxes increased during the period 1960–1984, corporate taxes declined dramatically during the same period (and very much in particular during the Reagan Administration, which halved them in its first four years).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Individual Income Tax</th>
<th>Social Insurance Tax</th>
<th>Corporate Income Tax</th>
<th>Excise, State and Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>44.0%</td>
<td>15.9%</td>
<td>23.2%</td>
<td>16.8%</td>
</tr>
<tr>
<td>1965</td>
<td>41.8%</td>
<td>19.1%</td>
<td>21.8%</td>
<td>17.4%</td>
</tr>
<tr>
<td>1970</td>
<td>46.9%</td>
<td>23.0%</td>
<td>17.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>1975</td>
<td>43.9%</td>
<td>30.3%</td>
<td>14.6%</td>
<td>11.3%</td>
</tr>
<tr>
<td>1980</td>
<td>47.2%</td>
<td>30.5%</td>
<td>12.5%</td>
<td>9.8%</td>
</tr>
<tr>
<td>1984 (est.)</td>
<td>44.8%</td>
<td>36.8%</td>
<td>7.8%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>


It is worth noting that preferential treatment for corporate America started under President Carter. In 1979, the business-backed Steiger-Hausen bill proposed a liberalisation of corporate depreciation allowances that translated into an annual $50 billion cut in corporate income taxes.\(^{108}\)

In brief, during the 60s and 70s there was a decline in tax revenues coming from corporations and an increase in taxes on incomes. That shift of revenues becomes even more significant when we analyse the increased differentials in taxes paid between wealthy and non-wealthy income earners: \(^{109}\)

Between 1953 and 1974, direct taxes paid by the average income family doubled, from 11.8 per cent of income to 23.4 per cent of income, while the tax burden of a family with four times the average income went from 20.2 per cent to 29.5 per cent, an increase of less than half. Between 1969 and 1980, social security taxes increased by 92 per cent. And since social security taxes apply to only the first $35,700 of wages, the major portion of this increase was on the non-wealthy. During the same period, corporate income tax collections fell 14 per cent, and capital rates were cut by 20 per cent.

Throughout this period, Corporate America has been paying increasingly less taxes and Working America more. This is the fiscal version of class struggle, a struggle that is carried out by the assumed non-existent capitalist class against the working class, whose existence is also denied and recycled as an 'interest group'. These anti-working class fiscal policies will be further strengthened in the new tax reform proposal put forward...
by the Reagan Administration. In this proposal, presented as Reagan's second social revolution, the limited progressiveness of the federal income tax is further reduced, flattening the tax structure most dramatically. Other regressive features of this proposal include taxing health, unemployment, and workers' disability benefits.

This shift of fiscal responsibilities that favours the corporate or capitalist class is justified by conservative forces by the need to stimulate capital investment. The benefits for the corporate class, it is claimed, will eventually trickle down to the rest of the population. Even on its own terrain, however, this argument does not hold much credibility. The US was one of the low performance economies in the 70s, in spite of very low tax burdens on capital (far lower than in Japan and West Germany, defined as good performance economies, who had the highest and second highest reliance on capital taxes).

Apologetics aside, Capital paid less taxes and Labour more not because there was a systemic need for that to occur but rather because Capital was winning the war against Labour. Here it is important to clarify a much debated and misunderstood issue: the overall level of taxation. It is true that the total US tax level is relatively low compared with other countries. In 1974 it was 27.5 of GDP, placing the US 14th out of 17 major industrial capitalist nations. Only Switzerland, Japan and Australia had lower overall tax levels. But, if instead of looking at overall levels, we focus on levels of taxation by occupational groups, it then emerges that for an average production worker the US ranked 8th highest in the tax burden. The American tax system is indeed highly regressive. This regressiveness is further highlighted if we look at what the average citizen gets in return for his or her taxes. The average European gets more from government than the US citizen does. For the most part, the European citizen gets health care, family allowances, better unemployment insurance, pension and disabilities, as well as many other social benefits that increase individual income. For example, in eight European countries, family allowances add at least 6 per cent to the wage income of the average household. In France, Italy, Austria and Belgium, family allowances increase wage income by over 9 per cent. The average American taxpayer, however, gets comparatively little from his or her taxes. A large percentage of taxes goes for military expenditures that return very little economic benefit to the average citizen. Let me add that during the Reagan Administration (in which military expenditures have increased enormously, social expenditures have declined, social security taxes have increased, and tax reforms favourable to upper incomes have been implemented), the average citizen has got even less from his or her taxes.

This measure of regressiveness explains why the average citizen feels under a heavy tax burden and strongly opposes increasing taxes. People are against increasing taxes and rightly so. They are not getting much in
return. But, (and it is an extremely important but), they are willing to pay higher taxes if they are assured that they will benefit from them. This explains why:

(a) social security taxes (the ones that have increased most rapidly in the last ten years) are the least unpopular taxes.  

(b) the majority of Americans would be willing to pay higher taxes if they could be assured that those revenues would pay for services (such as a National and Comprehensive Health Programme) from which all citizens will benefit. However, people are not willing to increase taxes to resolve the deficit problem. Their anti-tax sentiment is highly selective. Thus, it is wrong to state, as is always stated, that people are against paying taxes. How people feel about paying taxes depends on what they will get in return. It is as simple and logical as that,

(c) there is support for social expenditures and, within them, higher support for New Deal programmes (aimed at the whole population) than for Great Society programmes (aimed at specific populations).

In brief, the average US citizen is getting less in return for his or her taxes than the average citizen in major Western European countries, a situation that is in large degree explained by the highly skewed nature of the tax system of the US (falling heavily on the middle and low income levels of the working population) and by the huge proportion that military expenditures represent within federal government expenditures. Since social expenditures are for the most part financed by taxes imposed on the working population, these transfers of government funds have not had a redistributive effect from the capitalist class to the working class. Rather, there has been a redistributive effect within the working population, with some sectors of the working class paying for others. This situation explains why Great Society programmes have been somewhat less popular than New Deal type programmes. They have frequently been used to divide the working class, pitting whites against blacks, men against women, young against old, the middle income families against low income ones and so on. The identification of the Democratic Party with the Great Society rather than with the New Deal has somewhat weakened the popularity of the Party. As Edsall has written,

The formulation of mechanisms to reduce the divisions between these two sets of programmes (New Deal and Great Society), if not to integrate them, remains essential to the Democratic Party if it is to lessen this conflict within its own constituencies.

This need to integrate both types of programmes is doubly important now given the decline of wages and family income of American workers, making them less enthusiastic about programmes that directly benefit
only some sectors of the working class. In 1980 wages were 7.5 per cent below their peak in 1972 and lower than they had been at any time since 1967. Median household income, measured in constant 1981 dollars, was 11 per cent ($2,440) lower in 1981 than in 1973. Thus it is not surprising that it is more popular within the Democratic Party constituency to ask for a Comprehensive National Health Programme than for health programmes targeted at specific sectors of the population (like rural populations or the urban poor). The recovery of the Democratic Party depends upon recovering class practices as opposed to 'interest group' practices.

A last point needs to be made regarding the relationship between funding of social expenditures and the level of popularity of paying taxes. A further way of dividing the working class into interest groups is not only to divide the beneficiaries of social expenditures (e.g., food programmes, Aid to Families with Dependent Children) but also to divide the payers of those services. Large sectors of those social services are financed by way of tax exemptions, a highly regressive form of subsidising the welfare state, further contributing to the regressive nature of the taxation system and distribution of government services. For example, and unlike Europe, the US does not have a comprehensive health programme to cover the whole population; instead, we subsidise medical care expenses by means of tax exemptions. Similarly, we have no general programme of family allowances. Instead, we subsidise the expenses of child-rearing also by means of tax exemptions. In both cases, this approach is regressive, since a $1,000 tax deduction in either medical or child-rearing expenditures gives a higher-bracket family more tax subsidy than a low-bracket one. Here, again, to base the provision of services on tax exemptions rather than universal tax-based comprehensive programmes (as in Europe) serves to increase further the cleavages within the working population, the base for the Democratic Party.

In summary, the electoral history of the US shows that the Democratic Party has been more popular in periods when it has been perceived as the party of the entire working population, not just the party of its different components or interest groups. No other government has attained more popularity than the Democratic Administration during the New Deal. Franklin D. Roosevelt was by far the most popular President of the US. Under the New Deal, the working population fought for and won Social Security, Works Project Administration, the National Labor Relations Act, and enactment of a system of progressive taxation (low for the working class and high for the wealthy)—all programmes and interventions that actually or potentially benefited the whole working population. One of the missing pieces was a National Health Programme, dropped by New Dealers because of opposition from the insurance industry and medical profession. From Roosevelt to Johnson, the outcome of Presidential
elections has been directly related to how the population perceived the candidates vis-a-vis the New Deal. Witness Goldwater’s dramatic defeat because of his stance against Social Security.

Class practice rather than interest group practice is what has put Democrats in power. Let me stress here that this situation is not unique to the US. Countries like Finland and Sweden, where parties are perceived to have clear class practices, have higher rates of electoral involvement, higher voter turnout, and more extensive welfare states than those that don't have these practices.* Indeed, societies in which the political and economic instruments of labour are perceived as class instruments have lower income inequality between the top and the bottom layers, a higher percentage of GNP allocated to social expenditures, a higher level of overall progressive taxation, and lower unemployment."20 It is in those countries in which class practices within the working class do not exist and in which labour operates as one more interest group (highly divided into different subgroups, each one looking out for its own), that we find a depoliticisation of the population with low voter turnout and a fragmentation of politics. This is precisely what is happening in today’s US.

The lack of polarisation of US politics and the conventional wisdom that parties have to move to the centre to attract the middle class are producing a depoliticisation of American life, with increasing disenchantment toward the two major political parties. In 1980 between 60 and 70 per cent of the population (depending on the problem area) indicated that they really did not perceive much of a difference between the two major parties. The abandonment of the New Deal commitments in 1984 also led The New York Times to editorialise that the differences between the two parties were uncomfortably narrow.123 It is not surprising then, that in 1980, 40 per cent of Americans defined themselves as independent, followed by 37 per cent as Democrats and 24 per cent as Republicans,124 a considerable increase in the number of independents and dramatic decline in both Democratic and Republican Party adherents. More than a realignment, what we have seen in the US is a dealignment from the two major parties. This abandonment of the New Deal commitment and the similarity between the two parties has also led to an increase in the number abstaining from electoral politics. The US has the highest abstention rate in the Western world.125 50 million eligible citizens did not register in 1984 and 35 million of those who registered did not vote. Of these 85 million non-voters, 46 per cent consider themselves independent, 80 per cent are white, 83 per cent have a high school education or less, 72 per cent are between 18-44 and 50 per cent are between 18-29 years of age, and 32 per cent live in the South.126 Another characteristic of US politics is that the working class votes less than the other classes. In 1980 77 per cent of

---

*Working class practices appear when there is one major union formation which unites labour and a political party which represents labour.
white-collar professionals voted compared with only 44 per cent of blue-collar workers. This class abstentionism hurts the Democrats more than the Republicans. Wolfinger and Rosenstone have shown that those who vote include more Republicans than the entire potential electorate. Its importance appears clearly when one considers that in 1984, if the blacks, Hispanics, the unemployed, the low-income workers (below $12,500), and people with less than a high school education would have voted in the same percentage as those who earn $35,000 and above, and if their voting behaviour remained the same as those in the low income group who voted, Mondale would have won.

The declassing of American politics and absence of class polarisation, together with the recycling of politics through interest groups, has thus led to depoliticisation and abstentionism, particularly among the lower echelons of the working class who do not see much meaning in their electoral participation. The experience both in this country and abroad shows that the class polarisation of politics (which in the US happens within the Republican Party but not within the Democratic Party) is a condition for active democratic participation. The realisation of an expanded welfare state, centred around the New Deal, has as a prerequisite the political polarisation of the Democratic Party and the development of class practices and discourse.

SOCIAL EXPENDITURES AND THE DEFICIT: THE IDEOLOGICAL DEBATE

Having analysed in the previous section where government revenues come from, let us now look at where these government expenditures go. Since 1979 there has been an enormous shift from social to military spending, with the dramatic growth of military expenditures in large degree made possible by a reduction in social expenditures. The US military budget increased from 5.2 per cent of the GNP in fiscal year 1980 to 6.6 per cent in fiscal year 1985, to 7.3 per cent planned for fiscal year 1988. Moreover, interest on the national debt, which results mainly from past and present military outlays, has gone up even faster. Added to military spending, the two together rose from 7.2 per cent of the GNP in fiscal year 1980 to 9.9 per cent in fiscal year 1985, and will rise to 10.5 per cent of the GNP in fiscal year 1988 on the basis of Reagan's optimistic projection of lower interest rates. Social expenditures (including Social Security, Medicare, other Social Insurance, and Medicaid), on the other hand, declined from 11.2 to 10.4 per cent of the GNP in the period from 1981 to 1985. Expenditures for natural resources and infrastructure, incidentally, also declined from 1.6 to 1.2 per cent of the GNP, and the total grants to state and local governments dropped from 3.3 to 2.7 per cent. The US
Council of Economic Advisors refers to such shifts of resources as 'absolutely unprecedented', and its 1984 report recognises that 'the reduction of domestic outlays financed by general revenues is thus slightly more than sufficient to balance the increase in defense spending and interest costs. . . One implication of the very substantial reduction in non-defense spending is that it permits an increase in defense spending without an equal increase in tax revenue'. The same report indicates that by 1989, the current Administration proposes cuts from the pre-Reagan peak of 28 per cent for water and navigation projects; 32 per cent for mass transit and 70 per cent for sewage treatment. In the same year (1989), the combined dollar costs of interests and the military in 1989 prices will be $686 billion dollars, which will amount to a fiscal charge of $2,766 per capita or $11,065 per family of four. Excluding Social Security and other earmarked trust funds, military and related expenditures will represent 65 per cent of the 1989 fiscal budget.

It is important to indicate that in spite of the stated position of the Reagan Administration that government is the source of our problems and that the large size of government expenditures is at the root of the sluggishness of the US economy, the actual size of the public sector—measured by federal government expenditures—has increased as a percentage of the GNP. Discounting inflation, the federal government plans to spend 30 per cent more in 1985 than it did in 1980. This growth has been due in considerable degree to the unprecedented growth of military expenditures, which is primarily responsible, along with the tax cuts (that have favoured the corporate class and the upper middle class), for the large federal deficit.

Regarding the deficit, there is a need to clarify several points. One is that, contrary to what the current Administration states, the growth of social expenditures (of the Great Society variety) is not the primary cause for that deficit. According to the Administration, 'programmes such as Medicaid and Food Stamps have become a major source of persistent deficits. . . As The New York Times editorialised, 'It takes a lot of nerve for an Administration that is calling for a $758 billion budget and a $92 billion deficit to blame its trouble on $11 billion in food stamps and $18 billion in Medicaid. That makes the unskilled and the unemployed not merely victims but villains.' As further clarified
by Stockman, the Social Security 'crisis' responded not so much to the needs of the beneficiaries but rather to the need to shift funds to reduce the deficit. Social Security recipients are supposed to contribute to resolve the budget deficit, which is not of their doing, but rather, the result of growing military expenditures and cuts in income and corporate taxes that have primarily benefited the corporate and upper middle classes.

Another point meriting clarification concerns the argument that the growth in government and social expenditures is responsible for the slowdown of the economy. The international experience, however, denies that.

**TABLE II**

*Government Spending and Gross Domestic Product, 1973-1979*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>6.6</td>
<td>34.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Italy</td>
<td>4.2</td>
<td>50.8</td>
<td>3.0</td>
</tr>
<tr>
<td>France</td>
<td>3.3</td>
<td>48.9</td>
<td>2.8</td>
</tr>
<tr>
<td>W. Germany</td>
<td>2.3</td>
<td>49.3</td>
<td>2.4</td>
</tr>
<tr>
<td>UK</td>
<td>1.8</td>
<td>47.3</td>
<td>1.6</td>
</tr>
<tr>
<td>US</td>
<td>1.6</td>
<td>35.4</td>
<td>2.6</td>
</tr>
</tbody>
</table>


Table II, shows that other economies with a larger annual growth rate of government spending as percentage of GDP during 1973-81, and higher government spending as percentage of GDP in 1981, had a higher annual growth rate for the period 1973-81 than the US. Similarly, Table III shows that countries with the largest government social expenditures (as percentage of the GDP) for the period 1978-1983 had better economic indicators (unemployment and economic growth) than the US. Other available data show that a low level of taxation, a regressive form of taxation and restrained public spending is not, as current conventional wisdom indicates, the key to economic performance. Quite to the contrary. Japan, Italy and France had the best growth rates during 1973-81. They also had the most rapid growth of public spending.

**TABLE III**

*Unemployment, Economic Growth and Social Expenditure*

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployment*</th>
<th>Economic Growth**</th>
<th>Social Expenditures***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>9.5</td>
<td>1.8</td>
<td>12.8</td>
</tr>
<tr>
<td>Austria</td>
<td>4.2</td>
<td>1.8</td>
<td>24.1</td>
</tr>
<tr>
<td>Belgium</td>
<td>14.9</td>
<td>1.5</td>
<td>32.6</td>
</tr>
</tbody>
</table>
TABLE III (contd)

Unemployment, Economic Growth and Social Expenditure

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployment*</th>
<th>Economic Growth**</th>
<th>Social Expenditures***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>11.1</td>
<td>1.6</td>
<td>15.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>10.6</td>
<td>1.6</td>
<td>29.0</td>
</tr>
<tr>
<td>Finland</td>
<td>6.2</td>
<td>3.8</td>
<td>23.3</td>
</tr>
<tr>
<td>France</td>
<td>8.2</td>
<td>1.8</td>
<td>23.8</td>
</tr>
<tr>
<td>W. Germany</td>
<td>7.8</td>
<td>1.5</td>
<td>26.4</td>
</tr>
<tr>
<td>Italy</td>
<td>10.0</td>
<td>2.1</td>
<td>22.7</td>
</tr>
<tr>
<td>Japan</td>
<td>2.6</td>
<td>4.3</td>
<td>12.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14.0</td>
<td>0.7</td>
<td>29.1</td>
</tr>
<tr>
<td>Norway</td>
<td>2.8</td>
<td>2.5</td>
<td>21.0</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.4</td>
<td>1.5</td>
<td>31.9</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.4</td>
<td>1.5</td>
<td>9.4</td>
</tr>
<tr>
<td>UK</td>
<td>13.1</td>
<td>1.1</td>
<td>19.0</td>
</tr>
<tr>
<td>US</td>
<td>8.4</td>
<td>1.8</td>
<td>15.0</td>
</tr>
</tbody>
</table>

* Unemployment: Standardised rate of unemployment as per cent of the labour force in the fourth quarter of 1983.

** Average annual growth of GDP 1978–1983, in per cent.

*** Public expenditures for health, social and welfare services as per cent of GDP in current prices in 1981.


The End of Social Keynesianism and the Victory of Military Keynesianism

Another position that needs to be questioned is the interpretation of the current recovery of the US economy (on the heels of the deepest recession since the Great Depression) as an outcome of the successful supply side and monetarist interventions that, presumably, have characterised Reaganomics. David Plotke warned American liberals and radicals, back in 1980, not to dismiss supply side economics. As he put it, they may not be a joke. More recently, several Socialist governments in Europe have defended their policies of austerity (including large cuts in social expenditures) as necessary steps to revitalise their economies, following the successful Reagan economic model. It speaks of the enormous power of current hegemonic ideology that Reagan policies are perceived as half monetarist, half supply side. It was a perceptive conservative, ex-Prime Minister of France, Barre, who in the pages of Le Monde, warned his fellow conservatives not to let their ideological blinkers interfere with their understanding of the Reagan policies.145 Barre advised his counterparts to pay attention not to what was said but rather to what was done. Reagan's policies were and are following Keynesian policies to the letter. The stimulation of the economy through (1) public expenditures, (2) tax cuts and (3) deficits constitute the textbook practice of Keynesianism. Supply side practices have been indeed a failure and a joke. The theory
that tax cuts would lead to higher savings and higher investments proved to be wrong. Investments actually declined sharply between 1980 and 1983. McIntyre has shown that the corporations that received higher tax benefits during the Reagan Administration (which were supposed to stimulate investments) were the ones that invested less. They used those tax cuts to increase their profits, but not their investments. From 1980 to 1983, business investments declined by 9 per cent, while the costs of federal tax subsidies to corporations increased by 41 per cent. During this period, the supply side incentives did not cause businesses to invest, because there was slack demand for their products. Regardless of tax benefits, businesses did not increase investment when existing plants were operating at 60 per cent of capacity and customers were not buying. The recovery was triggered by the huge demand stimulated by a $200 billion deficit and $600 billion in military expenditures, a demand-side recovery facilitated by the politically motivated decision of the Federal Reserve Board allowing, in mid 1983, real interest rates to fall. All US Presidents (with the exception of Carter) have stimulated the economy one year prior to the election. Increased capital investment came later, when businesses saw the resumption of consumer demand. It is important to realise that the deficit would not have been less stimulating to the economy (1) had the tax breaks benefited the working class and lower middle class (rather than the corporate class and upper middle class) or (2) had the government's extra-expenditures been social expenditures rather than military expenditures. What we have under Reagan is a corporate-military Keynesianism rather than social Keynesianism. But it is Keynesianism nevertheless.

Another misconception, related to the previous one, also reproduced by liberal and even radical authors, is that Reagan is anti-government, i.e., his Administration is stuck in Nineteenth Century economic theory. David Plotke, for example, refers to Reagan's success in convincing the population of the merit of his anti-government policies. The Chicago School theorist, Friedman, however, is not the organic intellectual of this Administration. Reagan is following the most active government interventionist policies of all post-World War II Presidents. His Administration has gone far beyond mere Keynesianism. Through military expenditures, the Reagan Administration is reshaping and guiding the nature of the US economy. To pour 1.5 trillion dollars in military expenditures in the US economy in five years is not a minor matter. It is having an enormous impact on the economy, and this impact is not an unplanned one. As explicitly indicated by the current Secretary of Defense, Caspar Weinberger, a welcome effect of the unprecedented growth of military expenditures is the re-industrialisation of the American economy. This re-industrialisation is taking place under the direction of the US Department of Defense, defined by Sherman and Wood as the 'largest planned economy.
in the world outside the Soviet

In light of all this evidence, to continue defining Reagan's policies as aimed at reducing the role of the federal government in our economic, political and social lives is to indulge in apologetics, not rigorous analysis. The Reagan Administration has significantly changed the role of government and other branches of the State by quite dramatically increasing the interventionist and repressive character of the State. As stated by H. Salvatori, a key member of the 1980 Reagan Transitional Team,

> In the history of man everyone has talked about expanding rights, having more and more freedom. But we have found that if you let people do what they want to do, you have chaos. We can't restore moral values, that's hopeless. What we have to do is restructure society, set minimum standards of respect and order. Frankly, we need a more authoritarian state.\(^{151}\)

The Reagan Administration has indeed followed that blueprint. There have been many government interventions to constrain and diminish personal and individual freedoms. Witness, for example, recent Congressional approval of an unprecedented intervention in the realm of academic freedom. According to recent legislation, a local school district implementing a desegregation plan shall not be eligible for Federal funds if 'secular humanism' is taught in its classrooms. 'Secular humanism' is not defined in the legislation. Rather, the local school districts are responsible for determining whether they are teaching it. In the views of many of those districts 'secular humanism' includes the teaching of erotic themes in literature; the emphasis in American history courses on unequal distribution of wealth; Darwin's theory of evolution; reduced attention in curriculums to the values of family, patriotism and God; and the prevalence in schools of an 'atheistic philosophy' that is at war with the principles of a 'Christian nation'.\(^{152}\) Indeed, what we are witnessing today is what the late Nicos Poulantzas referred to as 'the further development of the authoritarian state'.\(^{153}\) Another characteristic of this authoritarian state is its corporatisation, i.e., the establishment of public policy outside the normal democratic process. Policy is defined by para-governmental bodies (such as Presidential commissions) that include powerful interest groups whose interests need to be taken into account. Thus, the major 1981 amendments to the Social Security Act were brought about by a Commission that 'brought together significant parties outside of normal congressional processes'.\(^{154}\) These commissions further centralise state power, diluting the process of democratic participation.

In brief, Reagan's policies have not diminished state intervention in people's lives. Rather, they have further changed (and quite dramatically at that) the nature and form of that intervention. While formal ideological debate occurs at the level of 'market versus government' interventions,
reality continues to show that the real issue in the US today is who dominates the state—and for whose benefit. Government interventions increased enormously in 1980–84, benefiting primarily the corporate and upper middle classes. It speaks of the overwhelming dominance that those classes have over the means of information, ideological reproduction and legitimation that those class interests are continuously presented as the American interest and that the terms of its discourse (and interpretations of reality) have been widely accepted even by its adversaries. Today's debate is taking place on the terrain defined by the reactionary strata of the corporate class, with the left (broadly defined) for the most part accepting the arguments and terms of that discourse.

The Future: What Needs to be Done
It seems clear from the previous analysis that the solution for the Democratic Party at the national level is not to move to the right (further abandoning the commitment to the New Deal) but rather to the left (expanding on that commitment). The conventional wisdom that the Democratic Party needs to move to the centre (the moderate expression to refer to the right) in order to attract the middle class is the primary reason for its recent defeat. It further confirms the similarity between the two parties, increasing voter abstention on the part of critical sectors that the Democratic Party needs if it wants to win. I have already shown that if the lower echelons of the working class had voted in the same percentages as other sectors, Mondale would have won. As could have been predicted, Mondale's clear move to the right did not capture right wing voters, nor did it stimulate registered but unmotivated voters. They did not perceive enough differences between candidates to vote for Mondale.

It would be erroneous to conclude from this analysis that the solution demands proposals for the establishment of programmes aimed primarily at these lower income groups. This approach would only strengthen the perception of 'interest group' politics and would be exploited by the corporate class. The solution is to develop programmes that benefit all members of the working population, including those groups. In other words, there is an enormous and urgent need to resurrect the class practices of the New Deal.

An Example of a New Deal Programme: A Comprehensive and Universal Tax Based Health Programme
Let me give an example of what I mean by this emphasis on a New Deal programme. There is today a large problem in the health care sector of the US. By whatever health indicator one can think of (infant mortality, low birth weight, life expectancy, etc.), the US indicators do not compare favourably with other countries. And the situation is even deteriorating in many important areas. For example, the decline of infant mortality has
slowed down since 1981. This is a result, among other factors, of the 1979–1982 recession and also of the reduction of social expenditures, a reduction that affected primarily but not exclusively the low income groups within the working class. The cuts under Carter and very much under Reagan have affected both Great Society programmes (such as Medicaid) and New Deal programmes (such as Medicare). Those cuts were carried out with bi-partisan support, following a non-existent popular mandate. As I have shown before, the majority of people opposed those cuts. In 1984, the reduction of social expenditures (including health expenditures) was one of the top three issues in the country about which the majority of people expressed concern. This reduction of social expenditures further enlarged the number of people who did not have any form of private or public insurance coverage. In 1984, this figure went up to an impressive 38 million people (nearly 20 per cent of the total population), the largest number and largest percentage of uncovered population in any Western developed society. Moreover, 100 million Americans do not have catastrophic insurance coverage. If they have to face a major health care expenditure, they are in deep trouble. The inability to pay for health expenditures is one of the main causes of bankruptcy in the US. This problem of coverage also affected the majority of the population who had some form of coverage, since the most common form of coverage is not comprehensive and still requires substantial payments by the patient. In the US 27 per cent of all medical expenditures are still direct payments by the patient compared with only 8.4 per cent in Sweden, and 5.8 per cent in Great Britain. The concern for lack of or limited coverage goes side by side with concern for high costs. Here again, in 1984 the high cost of health care was one of the top three concerns for the majority of the US population. Not surprisingly, the majority of Americans want major changes in the health care system. And the percentage of people asking for profound changes is increasing, not declining. In 1983, for example, 50 per cent of polled Americans indicated that 'fundamental changes are needed to make the health care system work better', and another 25 per cent felt that 'the American health care system has so much wrong with it that we need to completely rebuild it'. These percentages increased in 1984 to 51 per cent and 31 per cent respectively. In a 1984 ABC News–Washington Post poll, an unprecedented 75 per cent of the respondents indicated that 'the government should institute and operate a national health program'.

The problem, however, is not lack of resources. The US spends 10.8 per cent of the GNP on health services. The problem is the channels (i.e., the institutions) through which those resources are being spent. Indeed, the problems of insufficient coverage and high costs are rooted in the private, for-profit character of American medicine. US government programmes are publicly financed but privately delivered, and the waste...
is plainly overwhelming. According to a US Senate Committee, the amount of waste in the publicly financed and privately delivered Medicaid programme is equivalent to the total cost of the British National Health Service, with the Medicaid beneficiary incidentally, receiving fewer benefits than the average British beneficiary. \(^{163}\) In light of the current anti-statist fashion that exists in large spectrums of the Left, it is important to clarify that an international analysis of health services shows that those countries with government control of the funding and administration of health services have better coverage, lower costs, better distribution of resources, and higher popular satisfaction with health services than those that have large for-profit private sectors in the health services (like West Germany, France and the US). \(^{164}\)

This point bears repeating in light of current cost containment federal policies that focus primarily and almost exclusively on regulating the prices of the hospital services, i.e., fixed amount of payment for diagnostic (DRGs) without actually touching directly on (1) the organisation, planning and delivery of health services or (2) on the overall size of the for-profit sector, the group primarily responsible for the predicament of our health care services. This sector has grown considerably in the last few years due to the massive involvement of for-profit hospital chains in the delivery of health services, an involvement that has been facilitated by federal policies and programmes such as Medicare. As The Economist recently indicated, 'Ironically, for-profit hospital chains owe much of their current prosperity to Medicare, the federal programme to help pay the medical costs of old people. . . . Medicare provides about one third of the revenue of the average hospital but around half the revenue of for-profit hospital chains.' \(^{165}\) For-profit hospitals are able to screen the most profitable patients and diagnostics competing with very favourable conditions with voluntary and public hospitals who are less able to screen their clinical cases.

As in other sectors of the economy, the government pays for but does not actually control the private delivery of health services. These payments are tantamount to a huge subsidy to the for-profit activities of the health sector, which includes not only for-profit hospitals but also payments to professional fees and other forms of payments to private professionals and independent contractors, pharmaceutical companies, medical suppliers, and related activities that exist both in the for-profit (investor owned hospitals) and the 'non-profit' sectors (the private, the voluntary and the public institutions). The size of this for-profit sector has been estimated by Maxwell to range between 44 and 88 per cent of all health care expenditures in the US. \(^{166}\) It is the size of this sector that is at the root of the current crisis of health services, in the US, characterised by an enormous growth of expenditures on the one side (e.g., Medicare spending rose from 1 billion in 1966 to $66 billion in 1984) and the limited benefit coverage offered by those health programmes (e.g., the aged still pay, directly and
out of pocket, 42 per cent of their health bill).

Foreign experience clearly shows that in order to control the costs of health care and to be able to expand the health benefits to the whole population, the government will have to do far more than control the price of the services provided by the hospital per diagnostic. It will have to intervene actively in the planning, organisation, regionalisation and delivery of health services, making sure that people's needs and not business and professional profits are the primary determinants of the funding and organisation of health care. Profits and health needs rarely coincide. The majority of Americans agree on this point. They want government intervention not only in the funding but also in the delivery and organisation of health services. This popular demand is not unique to the US population. In all Western developed societies, national health programmes have been the most popular programmes established after World War II by Labour and Social Democratic governments. Even Mrs Thatcher has not dared to dismantle Britain's National Health Service, and the Labour Party has gained popularity when it has appeared as the defender of the NHS. As Harold Wilson once put it, "The National Health Service has been the crown of the Welfare State... and the very temple of our Social Security."167 No other programme within the welfare state has been as popular as a comprehensive and universal health programme.

This international reality has not yet touched the American Democratic Party. In the last election, only Jesse Jackson spoke of the need for a National Health Programme, and he did not emphasise it to any serious extent. However, such a programme would have helped his candidacy to break its image of representing only the black constituency. Aggressive support of a National Health Programme would have helped to link Jackson with the aged, the unions, and other elements of the rainbow coalition he wanted to establish. His support for a National Health Programme was perfunctory, however, a mere item in his list of social programmes, without recognition of the critical role that such a programme could play in the majority of people's lives. He was perceived more as a Great Society than a New Deal politician. And while Jackson's influence was major and positive, he missed an opportunity to put the most important New Deal programme at the centre of his campaign. This practice is not unique to Jackson. Among the Left, there is an unawareness of the critical and enormous importance that health care plays in people's lives. The funding of a comprehensive and universal health programme should be based on different but highly popular interventions, including:

1. changed priorities within the health sector, not only through incentives but also active government interventions. The current reliance on highly technological medicine is neither good medical care nor good health care. Although high technology curative medicine has a role to play, it should not be the dominant form of intervention.

The state of North Carolina, for example, has about the same number of deliveries per year as Sweden, but twice as many low birth weight babies and neonatal deaths, due to poverty and malnutrition. In 1978–79 there were only 30 ventilator-equipped neonatal intensive care unit beds in Sweden compared to 60 or so in North Carolina, where even further expansions are now proposed. It would be cheaper and more humane to provide food and other social services rather than curative technology. The laissez faire approach to medical care enables and stimulates a sophisticated technological approach to medical problems, but does not serve well as a broadly based preventive approach capable of diminishing both the problems and the need for expensive technology. In summary, there is a need to shift the priorities away from hospital, curative, personal, and highly technological medicine towards preventive, community, environmental, occupational and social medical and health care interventions. This shift of priorities will not occur by continuing reliance on the for-profit private sector. It requires an active government intervention and active popular participation;

2. a shift of resources within the public sector, away from the military and back to social expenditures, reversing a trend that threatens the survival of the US population. According to the 1986 Reagan budget proposal, the military budget will have further increased a staggering 239 per cent by the year 1990. These funds are spent, in official rhetoric, to make American children more 'secure' from external enemies. Meanwhile, from 1980–1985, during the Reagan Administration, more American children die from poverty than the total number of American battle deaths in the Vietnam War. Till 1990, 22,000 American babies are estimated to die per year because of low birth weight. Poverty is the greatest child killer in 1985 in the affluent US. None other than President Eisenhower indicated that 'The problem in defense is how far you can go without destroying from within what you are trying to defend from without.' Here again, we find that Americans do support the reversal of this trend, with shifting of resources from military to social and health expenditures. 46 per cent of Americans felt that the government spends too little in social services (including health). The level of popular support for health expenditures is much, much higher than the level of support for military expenditures;

3. increases in the level of taxation of the corporate class and upper middle class, a level that has declined dramatically and is even imperiling the functioning of the US economy. The overall size of tax cuts aimed at the corporate class was $220 billion in 1984. The entire federal costs of a comprehensive health programme were estimated by the Carter Administration to be $20 billion for 1984,
less than 10 per cent of the revenues lost to the federal government because of cuts for the wealthy.\textsuperscript{172} A Comprehensive Health Programme has to be redistributive, based on authentically progressive revenues. It should increasingly rely on general revenues rather than social security taxes. This reliance on general revenues would also allow for shifting revenues among sectors. This is particularly important in light of the demographic transition, which is usually presented as a major reason for the rise of health expenditures. To have more elderly means to have more health consumption. The absolute and percentage growth of the elderly is presented as one of the reasons for the crisis of the Western systems of health care. Due to the repetitiveness of this argument, let me clarify that:

(a) the enormous growth of expenditures in the US Federal Programme for the elderly, Medicare, for the period 1978 to 1982 was not caused by an increase in the numbers of elderly. Neither the number of elderly patients nor their utilisation of health services increased during that period. The major cause of that growth of expenditures was price inflation; i.e., the price of hospital and medical services that benefit providers and suppliers but not the patients;

(b) the same demographic transition leads to fewer young people, with a freeing up of education, transportation and recreation public funds that could be shifted to health services. For example, the OECD Secretariat has shown that the estimated saving for public education in the seven major industrialised countries, due to the demographic transition, could ensure a 0.7 per cent annual growth of real social expenditures until 1990, more than sufficient to cover the expanding demands of the elderly in health services;\textsuperscript{173}

4. government funding, administration, and management of the health care services and institutions, with active worker and community participation in the running of these institutions. Himmelstein and Woolhandler have documented the ideological biases of most cost control measures that are being researched in US, and that are being implemented by the US government. All of them implied a cut of benefits to the working population. A progressive agenda will have to focus on cost controls that enlarge these health benefits and further empower the patient and potential patient population, i.e., the citizenry. These authors estimated that if the US would have had a national health insurance in 1983, it would have saved the US population $38.7 billion annually ($29.2 billion in health administration and insurance overhead, $4.9 billion on profits, and $4.6 billion on physicians' income). If the US would have a national health service, the US population would save $61.9 billion ($38.4 billion in
health administration and insurance overhead, $4.9 billion in profits and $18.6 billion in physicians’ income). Complete nationalisation of the health services, with nationalisation of the drug and supplies industries would save $85.3 billion dollars (one third of all health expenditures). And most importantly, those savings would occur while expanding rather than reducing the health benefits for the whole population.

All of these points bear repeating in light of current arguments about the crisis of the welfare state, which attributes that crisis to either the demographic transition or to the growth of public expenditures assumed to be out of control. Documented reality shows otherwise.

**Will That Change Occur?**

The major problem that the progressive forces are facing today in the US is not that we have the most reactionary President since the beginning of the century in the White House. This Administration is doing what it was appointed to do. It is remarkably predictable and consequent. The problem that we face is the increasing abandonment by the Democratic Party of the New Deal, with Left forces within and outside that Party in a state of demoralisation and paralysis. This is the gravest danger that we face in the US. I want to make it clear that I am not minimising the enormous importance of having a less reactionary President in the US. However, it is important to recognise that change—progressive change—could take place, even with Reagan in the White House. Remember that a whole set of progressive legislation and programmes was enacted in the 70s (such as EPA, NIOSH, OSHA and many others) while conservative Republicans were in the White House. Behind each one of those programmes, there was a lot of agitation and struggle, sweat and tears. Democracy is not only the act of voting but also the act of mobilising, organising, and exerting social pressure. As Gramsci kept saying, ‘The vote gives you the right but not the power.’ And history has proved it. Behind each electoral achievement, behind each progressive piece of legislation, behind each progressive government programme, there has always been a history of struggle and mass mobilisations. This is where the Left should be. This is not to imply that mobilisation struggles and electoral politics constitute two separate and non-convergent roads. Quite to the contrary. While for the Right electoral politics serve to demobilise the population, for the Left the mobilisation is the main motor of electoral politics. Never has the Left achieved a major legislative victory without mass mobilisations.

Here a key point needs to be raised: the nature and agencies of these mobilisations and political praxis. Indeed, there is a strong current within the US Left, including its radical versions, that dismisses class as a meaningless category for social and political action. Many radical left-wingers are adding their voices to the growing chorus singing farewell to the
A new orthodoxy has been established within large sectors of the New Left, in which new positions are being solidified into a new set of postures and cliches, with summary dismissal of alternative left-wing positions as outmoded, passé, dogmatic or unrealistic. Much of this new orthodoxy is influenced by the writings of 

and 

from France, 

and 

Mouffe from the UK and Stanley Aronowitz in the US. Their farewell to the working class is accompanied by a note of mourning for the Marxism that they once claimed as their own. Their recent self-identification as neo-Marxists enables them to (by using the neo) establish a safe and respectable distance from the main body of Marxist praxis. Their neo-Marxism, however, has now quickly become post-Marxism.

Without denying the diversity in these various post-Marxist positions, there are, however, some elements of their analyses that are similar. One is the assumption that, because of the evolution of national and international capitalism, the working class has been diminished, splintered and/or dissolved during the period since World War II. Because of this situation, the working class is considered to have diminished in importance as an agency for change. In its stead, new social movements based on race, ethnicity, gender, sexual preference, ideological and peace concerns have emerged as the new agents for change, with greater potential for radical politics than organised labour. Class politics have been replaced by coalition politics, in which different groups, concerns, and interests come together within a coalition in which there are no hierarchical relationships. No one group is more important than another. According to one proponent of coalition politics, what is needed in the US is for 'Hispanics, Native Americans, the poor, women, gays, lesbians, liberal progressives and radicals to join forces to resist sweeping repression and economic conservatism'. In this scenario, class loses its key importance as an analytical and political category. And Marxism becomes obsolete, a 'hang up' that keeps the Left stuck, stunting its development. Thus, the problem in the Left is thought to be that while 'many progressives have on the theoretical and rhetorical level moved beyond this basic tenet of orthodox Marxism, it is still retained at the level of practical politics'. For others it is not only Marxism, but the very concept and practice of Left politics that are obsolete. As one of the editors of Dissent suggested recently, 'Perhaps the Left/Right distinction itself is becoming obsolete as a way of understanding politics and political possibilities'.

It is important to clarify that all these positions assume, of course, that the practice of the US Left (at least in the recent past) has been a class practice and that Marxism has been the theoretical orbit in which the US Left has moved. Anyone even vaguely familiar with the US scene, however, can see that both assumptions are profoundly wrong. The US Left has not followed class practices for quite a long time. And for the most
part, the US Left, including its radical components, has been and continues to be profoundly anti-Marxist. Indeed, the US Left has primarily followed the type of practice that the post-Marxists now propose, i.e., 'coalition politics' within a constantly shifting pattern of alliances. Indeed, what those theoreticians of the neo-New Left are advocating is but a recycling of the old 'pluralist-interest groups' theories that have been the dominant form of political discourse and practice in the US for many years. The emergence and importance of social movements in the US—the main trademark of US political behaviour and mass mobilisation—are a direct consequence of the absence of class-based practices by the dominated classes. The centrality of social movements in the US as forms of political and social mobilisation is more reflective of the backwardness of US politics (i.e., the absence of class instruments of struggle by the dominated classes and strata) than its assumed vanguardism (i.e., an achievement that other societies can emulate). It is this backwardness that explains why the US has a less developed welfare state (e.g., nearly 12 per cent of the US population does not have any form of health coverage), fewer social and economic rights for women (e.g., the average maternity leave in the US is four weeks, compared with six months in Sweden and eight months in Finland), and less protection for workers and the environment (e.g., Swedish workers have an important voice in hiring and firing occupational physicians, a right unheard of in the US); also, the US allows far larger levels of toxic substances in the air than the majority of Northern European countries where the dominated classes follow class practices.184

Class practice on the part of the dominated classes continues to be of paramount importance to respond to the always present class practice of the dominant class. This is not to deny the enormous importance for the Left to be sensitive to forms of exploitation other than class exploitation, nor to ignore the importance of establishing coalitions with strata outside the working class. But in any class society, class relations determine and organise the other forms of exploitation. This is overwhelmingly clear in the US. For example, how races relate to one another depends in large degree on the relative position of the races within a class matrix in which the capitalist class is the dominant force. In the steel mills of Baltimore, for example, the place of the worker within the hierarchical labour process in the mills was determined until the middle 60s by the race and ethnicity of the worker. Foremen were Italians, Poles were cod workers and Blacks were sweepcleaners. Divide and conquer was and continues to be the practice of the dominant class. This reality cannot be ignored by the dominated class. The operational meaning of this awareness is not, however, the mere aggregate of the demands of each component of the 'people'. Class practices are not the aggregate of 'interest group' politics. And New Deal programmes are not the mere aggregate of Great Society type of programmes. This was, incidentally, the main problem with Jesse
Jackson's 'rainbow coalition'. Without minimising the very positive role of the Jackson Presidential campaign, still, a major weakness of that campaign was its emphasis on Great Society type of demands, with heavy emphasis on the rights of Blacks without providing enough linkage with other components of the working class.

Class Disintegration or Class Recomposition?
Another assumption of the neo-New Left is that the weakness of the Left reflects the 'shrinking' of its classical constituency—the working class. This is the explanation given for the decline of the unions and of the Democratic Party in the US. The redefinition of the working class and its re-structuring is not a unique US phenomena, however. Most Western capitalist developed societies have gone through a similar reorganisation of the working class. And, as Therborn has shown, in the majority of these countries (except the US and the UK), the left-wing electorate increased rather than declined during the years that the restructurion of the working class was taking place.185

Similarly, other countries facing similar changes in the working class have seen an increase rather than a decline in the percentage of the labour force that is unionised. In Canada, for example, the percentage of the civilian labour force that was organised increased in the 1963–1983 period from roughly 30 per cent to 40 per cent, at the same time that the percentage of organised workers declined in the US from 30 to 20 per cent.186 This decline, incidentally, cannot be explained by lack of popular support for unionisation. 75 per cent of all workers agree that unions improve the wages and working conditions of workers,187 and that level of popular support has increased rather than declined during the Reagan years.188 Thus, the decline of the unions and the assumed decline of the Democratic vote cannot be traced primarily to changes within the working class. It has to be rooted in the instruments of that class.

A main cause of the weakness of the unions is their corporativist practices (i.e., each union looking out for itself and its own constituency) and their limited democracy. Their lack of class behaviour, compounded by the absence of a political instrument (i.e., a labour party), has left the working class very weak and unable to resist the enormous class aggression shown by the capitalist class since 1978. Regarding democracy, it is worth noting that 50 per cent of the US population believes that most union leaders no longer represent the interests of the workers in their unions.189

The situation is not entirely bleak, however. Changes are occurring, many in the right direction. For example, for the first time in the post-war period, the executive committee of the AFL–CIO has reversed its long-standing commitment to defence expenditures. Moreover, it has in its leadership individuals who explicitly refer to themselves as socialists. Also, the AFL–CIO leadership has recently taken steps towards breaking the
corporativist practices of the US unions by (1) discouraging competition among unions for new members; (2) linking work-related struggles with struggles and demands outside the workplace; (3) trying to organise the unorganised, including the unemployed; (4) supporting class demands with nationwide appeal, such as the establishment of a national health programme; and (5) becoming actively involved in the Democratic Party, playing a critical and key role in the selection of the Presidential candidate and trying to actively influence the development of its programme.

Since the early 70s, there has been a shifting pattern of coalition within the Democratic Party. Contrary to the message put forward by the Right and even large sectors of the Left, the New Dealers have not been in hegemonic positions in the Democratic Party since the late 60s and early 70s. The new dominant coalition appears in the new forms of discourse that the Democratic Party adopted in the last elections. The new message was the articulation of the need for compassion—(the noblesse oblige attitude of the enlightened upper classes towards the 'have-nots') with the call for modernism (social engineering and government efficiency attractive to the new professional-technical strata). On the basis of the call for compassion, charitable impulses and moral calls for the 'have-nots' become the centre-piece of political programmes. On the basis of the call for modernism, social and economic problems are converted to technical and managerial interventions to get the economy back into proper working order. In both messages, the issues of power in general and class power in particular disappear. The call for class solidarity, social justice and anti-corporate policies has been put in storage or simply thrown out as part of an outdated discourse that (like the New Deal) needs to be transcended.

In light of this reality, what needs to be explained is not so much the defeat of non-existent New Deal candidates—McGovern, Carter and Mondale—but rather the alliance of the working class with the Democratic Party in view of the weakening commitment to the New Deal by the Democratic Party and the increased similarities between the two major parties. It has been during the 70s and 80s that the enormous growth of political abstentionism by the population in general and the working class in particular has taken place. This political marginalisation is symptomatic of a growing awareness of the impossibility for change, accompanied by a cynical view of the establishment. The lack of trust in the major establishment institutions in the US on the part of the majority of the population, a phenomenon that President Carter referred to as 'malaise', peaked in the 1978–80 period (the politics of austerity years), to be further augmented in the 80s to reach in 1982 the highest point ever of lack of popular confidence in the major establishment institutions. It was also during this time that large sectors of labour started discussing the need for the establishment of a Labour Party. The re-
election of Reagan slowed down that process. Also, the active involvement of AFL-CIO in the Democratic Party (supporting Mondale in 1984, once Kennedy indicated his wishes not to run), and the likely shifting of conservative Democrats to the Republican Party, contributed (for the time being) to sidetrack that much needed debate. It is unlikely, however, that a new party will be established while the Republicans are still in power. A new party, if established, is likely to emerge from a substantial split in the Democratic Party while it is in power. The difficulties in establishing a new party are enormous: hence, the continuing alliance with the Democratic Party, and labour's calls for the Democratic Party to change. However, the much needed radicalisation of the Democratic Party is not taking place. Quite to the contrary. Witness, for example, the defensiveness of the Democratic Party leadership towards the accusation of being the party of 'interest groups', the code term used by the establishment to define labour.

To recognise this situation is not to say that there is no room for change within the Democratic Party or that all work within that Party is a waste of time and energy better invested in establishing a new Party. There is a need to work both within and outside the Democratic Party, via all forms of participation, organisation and mobilisation to re-establish a Left wing space and historical block including a broad coalition of forces, centred around labour, struggling for the further expansion and redefinition of democracy, initiated in the New Deal and still far from completed. The New Deal was not the accomplishment of a Party or of President Roosevelt. It was the fierce struggle of the working population that pushed and pressed that Party and that Administration towards the establishment of the bases for the American Welfare State. This New Deal, rather than co-opting and integrating the working class, further empowered it, which explains the hatred of the ultra-right for those programmes. As Huberman concluded in his moving history of the US working class:

The common man and woman must not forget the New Deal. It was a valuable experience. It gave the workers and farmers a sense of their own power. They learned that in order to be able to get any of the things they wanted they had to organize both politically and economically. And today, when the New Deal is rapidly becoming a memory, they must remember that lesson. They must redouble their economic and political activities. They want jobs and peace. They must take the initiative in getting them. And they will learn through their struggle that jobs and peace are attainable only under a system or production for use, not for profit.191

The enormous popularity of the New Deal even today shows that the majority of people have not forgotten it. But there is an enormous ideological avalanche aimed at making people forget past struggles for democratic rights and the achievements those struggles won. It is because of this
situation that there is an urgent need for the Left to demystify and
denounce that ideological avalanche and present alternative interpretations
to the dominant and hegemonic ones. As that great American—Woody
Guthrie—told us' once, we have to change our glasses to see light where
they want us to see darkness, to see hope where they want us to see
despair and to see possibilities for change where they want us to get
trapped in the shifting sands of continuous pessimism.

NOTES

55. 'Special Issue: Analysis of the 1984 Election', in G. Hall, 'Reagan's "Political Realignment" Did Not Show', *Political Affairs*, December 1984, p. 5.
69. V. Navarro, 'Where is the Popular Mandate?', op. cit. Also, Opinion Roundup, Public Opinion, October/November, 1984, pp. 26–27.
77. G. Hall, op. cit.
78. B. Keller, op. cit.
79. G. Hall, op. cit., p. 4.
80. The Economist, op. cit., p. 25.
84. G. Hall, op. cit., p. 5.
86. V. Navarro, Where is the Popular Mandate?', op. cit.
88. Exceptions within the Left are *Monthly Review* and *Political Affairs*. They have not reproduced the hegemonic interpretation of the 1980 and 1984 elections.


93. V. Navarro, 'In Defense of the American People: They Are Not Schizophrenic', *International Journal of Health Services*.

94. Ibid.


107. *Ibid*.


115. V. Navarro, 'Where is the Popular Mandate?', *op. cit*.

129. 'Left and the Elections', *The Guardian*, November 21, 1984, p. 3. According to *The New York Times/CBS News Poll* 'Portrait of the Electorate', November 8, 1984, p. A19, unemployed workers voted 68 per cent for Mondale. This group comprises 8 per cent of all adults, but only 3 per cent of those who voted in 1984. Voters earning less than $12,500 went for Mondale by 53 per cent; they comprise 28 per cent of the adult population but only 15 per cent of the 1984 electorate.
144. R. Kuttner, *op. cit.*
146. D. Plotke, *op. cit.*
152. J. Knight, 'This Government is Off Our Backs? Academic Freedom is Wicked',


180. A representative article of this position is C. West, 'Reconstructing the American
Left: The Challenge of Jesse Jackson', *Social Text*, Winter 198411985.


184. To compare several countries in terms of (a) health coverage, see V. Navarro, 'An International Perspective on Health Care: Learning From Other Nations', Proceedings for the Select Committee on Ageing, May 1, 1985, US House of Representatives; (b) Womens' Rights, see April issue of *Economic Notes*, Labor Research Institute, 1985; and (c) Environmental Rights, see *The State of the Environment in OECD Member Countries, 1979*: OECD, Paris, 1980.


