

CAPITALISM AND GOVERNMENT IN CONFLICT

TO ROOSEVELT 'BRAIN TRUST' (UNIVERSITY INTELLECTUALS, MAINLY FROM COLUMBIA) THIS WAS A TIME TO MAKE A CHANGE: "FROM BELIEF IN INDIVIDUAL RESPONSIBILITY, LAISSEZ-FAIRE AND A DECENTRALIZED AND LIMITED GOVERNMENT TO A BELIEF IN SOCIAL RESPONSIBILITY AND A CENTRALIZED AND POWERFUL GOVERNMENT." THEY ARGUED AS DID OTHERS THAT 'THE DEPRESSION WAS A FAILURE OF CAPITALISM AND A NEED FOR GOVERNMENTAL INTERVENTION REQUIRED.'

IDEAS JUMPED AROUND WITH THIS GROUP – AMONG THEM: GERMANY'S (RAILROAD NATIONALIZATION); SWEDEN'S CENTRALIZED PLANNING AND THE SOCIALIST GRADUALISM OF FABIAN ENGLAND. FDR LISTENED AS NORMAN THOMAS ASPIRED HIS SOCIALIST DOGMA DURING THE ELECTION WHEN HE TOOK OFFICE WITH HIS NEW DEAL IN MARCH OF 1933. AND MONEY TO THEM WAS NOT THE ROOT TO EVIL BUT THE ALCHEMY NEEDED TO RESTORE BANK CONFIDENCE, RESTRUCTURE THE ECONOMIC SYSTEM, PROVIDE HOPE OVER DESPAIR - 'THE ONLY THING WE HAVE TO FEAR IS FEAR ITSELF.' HIS INAUGURAL REMINDED, "THE MONEYCHANGERS HAVE FLED FROM THE HIGH SEATS IN THE TEMPLE OF OUR CIVILIZATION." WORLD OF MONEY HAD NOT MERELY FAILED, IT HAD BETRAYED AN IMPLICIT TRUST. BANKS FAILED, AND ROOSEVELT CLOSED THEM TEMPORARILY.

IMMEDIATE RELIEF CAME IN THE GUISE OF FERA (FEDERAL EMERGENCY RELIEF ADMINISTRATION) ASKING HARRY HOPKINS, AN AIDE IN HIS RELIEF PROGRAMS IN NEW YORK, TO HEAD IT. \$500 MILLION CAME FROM RFC (RECONSTRUCTION FINANCE CORPORATION)-A HOOVER PROGRAM-AND WAS USED TO PASS-OUT STATE GRANTS, A PROVISIO BASED ON STATE CONTRIBUTION OF \$3 FOR EACH ONE DOLLAR OF FEDERAL AID. ALMOST SIMULTANEOUSLY, HOPKINS SAW THE NEED TO PROVIDE JOBS IN SOME MODE.

FROM FERA CAME CWA (CIVIL WORKS ADMIN)-AN OFFICE FOR JOB PROGRAMS VISUALIZING WORK ON

ROADS, HIGHWAYS, SCHOOLS, HOSPITALS, AND INFRA-STRUCTURE IN THE PUBLIC SECTOR. ALMOST OVERNIGHT 800,000 WERE PUT TO WORK WITH A NEAR 8 MILLION PAY-ROLL; THIS WOULD GROW LIKE TOPSY TO 4 MILLION WITH \$62 MILLION TO DEFRAY COSTS. INSPIRATION FROM THIS PROGRAM AND THE INFLUENCE OF MS ROOSEVELT CAME THE CCC(CIVILIAN CONSERVATION CORPS)AIMED AT THE YOUNG, LIKE SOLDIERS, TO SERVE 9 MONTH TERMS AND BE HOUSED IN CAMPS THROUGOUT THE COUNTRY. LOGISTICS AND COMPENSATION CAME FROM THE GOVERNMENT AND PROGRAM HAD A \$500 MILLION BUDGET. THIS PROGRAM WOULD GROW AND PROVIDE THE YOUNG A RAISON D'ETRE. BONUS MARCHERS, THE FORGOTTEN WWI ARMY VETS WHO NEVER RECEIVED THEIR PROMISED CHECKS FOR SERVICE WERE ADDED AND MS ROOSEVELT ACCLAIMED. AN ADVANTAGE WAS PERCEIVED LATER AT THE ADVENT OF WWII AS TO DISCIPLINE, COMMITMENT OF THESE.

IN RETROSPECT, THE EMPHASIS ON JOBS, SELF-RESPECT AND COMPENSATION WAS A GODSEND DESPITE PROBLEMS OF DISCRIMINATION AGAINST INDIANS AND AFRICAN-AMERICANS, THOUGH INCLUDED. ECONOMIC THEORY, CONCERN OVER SOCIALISM AND COMMUNIST ENCROACHMENT TENDED TO COMPLICATE AND DETER OTHER PROGRAMS, LIKE NRA(NATIONAL RECOVERY ADMIN)AND AAA(AGRICULTURE ADJUSTMENT ADMIN) WHOSE POLITICS,INFIGHTING AND OTHER APSECTS LED TO A FINDING OF UNCONSTITUTIONALITY AND CLOSURE.

LIKE FRANKLIN ROOSEVELT, BARACK OBAMA INHERITS AN ECONOMY IN DISTRESS, FINANCIAL MARKETS SLOWED BY A CREDIT CRUNCH, WORRIED BANKERS AND INVESTERS CLUSTERED IN DISBELIEF AND WONDERING WHEN THIS ADMINISTRATION WILL SOLVE THE PROBLEM. ANALOGOUS, OBAMA, LIKE ROOSEVELT, APPEARS AS AN 'AN ISLAND ENTIRE OF ITSELF'OPERATING IN A VACUUM AGAINST THE WATERS OF DISCONTENT AND CONFLICT. AND HE MUST PREVAIL DESPITE AN INAUSPICIOUS START WITH A QUESTIONABLE AND UNCLEAR ECONOMIC PROGRAM. UNLIKE THE WHIRLWIND OF JOB CREATION BY ROOSEVELT AND HOPKINS, THERE MAY BE TOO MANY CHEFS(VOLKER, SUMMERS, GEITHNER)IN THE MIX.

STIMULUS PACKAGES, BAILOUTS IN THE BUSH-OBAMA TRANSITION, AND NOW, PERHAPS, A MOTHER OF ALL STIMULI, A REAL ABOMINATION OF PORK, SPECIAL INTEREST AND EARMARKS WITHOUT A STRATEGY FOR HELP NOW. NOT A STIMULUS, A SPENDING BILL, DEBT ETERNAL. WE LISTENED TO SECRETARY GEITHNER PRESENT A THEORETICAL ECONOMIC TREATISE THAT OFFERED NO SPECIFICS, AND A HOUSING PLAN PROPOSED LATER, WHICH INSPIRED A 400 POINT DROP IN THE STOCK MARKET AND CRITICISM FROM MANY. WHAT NOW, BROWN COW?

WHY NOT STEAL A LEAF FROM THE ROOSEVELT ERA AND CONCENTRATE ON AN IMMEDIATE RELIEF PROGRAM OF JOBS, COMPENSATION, AND A GOVERNMENTAL BUDGET PRIORITY AIMED AT ONE MISSION: THE REBUILDING OF THE COUNTRY'S INFRASTRUCTURE. ITS RATIONALE COULD DRAW FROM THE BEST OF MILITARY PATRIOTISM AND THE PEACE CORPS, IT WOULD BE A FORM OF UNIVERSAL TRAINING AND COMMITMENT FOR A PERIOD OF A MINIMUM OF TWO YEARS AND INTERIM BRIDGE TO ECONOMIC REVIVAL WHILE THE THEORISTS, SOOTHSAYERS, POLITICIANS, IDELISTS, INTELLECTUALS AND DO-GOODERS CONTINUE TO SORT OUT AND PROVIDE THE BEST MIX OF CAPITALISM AND GOVERNMENT.

IT WAS MILTON FRIEDMAN WHO SAID, "GREATEST THREAT TO HUMAN AND ECONOMIC FREEDOM IS THE CONCENTRATION OF POWER IN GOVERNMENT OR OTHERS." POWER CONCENTRATION FOR GOOD HAS TO BE DISCREET. AND RONALD REAGAN TOLD US 'WE WERE THE LAST BEST HOPE FOR MANKIND' WHEN FACED WITH MILITANT COMMUNISM OR OTHER INTIMIDATING IDEOLOGIES.

IF BARACK OBAMA WISHES TO LEAD HE MUST RECONCILE NOT ONLY THE PROBLEMS OF THE ECONOMY AND INSURE ALL VOICES ARE INCLUDED, BUT THE THREAT OF ISLAMIC EXTREMISTS AS WELL. VIGILANCE IS STILL THE PRICE OF FREEDOM.