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Is Barack Obama a Radical Socialist, a Pro-Business Sell-Out, Both, or Neither?

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President Obama's conservative opponents lambast him as a <u>radical</u>, a <u>socialist</u>, and a purveyor of <u>class warfare</u>. His left-wing critics think he's in bed with <u>Wall Street</u>, too cautious and timid to challenge the corporate establishment and the richest 1 percent.

These contradictory views of Obama reflect not only the nation's ideological chasm but also a country whose stances on economic and social issues are constantly in flux. Indeed, the radical dreams of one generation often become the common sense ideas of the next generation.

Consider Social Security.

Victor Berger, Milwaukee's Socialist Congressman, introduced the first bill for old-age insurance in 1911. But it wasn't until 1935, in the midst of the Great Depression, that President Franklin Roosevelt proposed and Congress passed the Social Security Act. FDR signed it into law on August 14, 1935.

Today, an overwhelming majority of Americans -- including 87 percent of Republicans and 91 percent of Democrats, according to a <u>Pew poll</u> last year -- believe that Social Security has been good for the country. Even the vast majority of Tea Partiers embrace Social Security. A <u>poll</u> last year found that 77 percent of all Americans -- and 67 percent of avowed Tea Party supporters -- preferred increasing the payroll tax over reducing Social Security benefits or raising the retirement age to 69.

Americans today support many other ideas -- for example, women's right to vote, laws protecting consumers from unsafe products like food and medicine, and the minimum wage -- that were once viewed as radical. How do these notions become so respectable that even conservative take them for granted?

It begins when progressive movements use unconventional tactics -- such as protest demonstrations, hunger strikes, boycotts, and sit-ins -- to inject these notions into the public debate. The establishment initially vilifies them as socialistic, utopian, or even un-American. But as these ideas tap into people's real concerns, the public begins to accept them. Then some forward-looking members of the establishment -- including some liberal politicians and enlightened business leaders -- embrace them, amplify them, and co-opt them as reasonable "reforms," which in turn broadens public support. Once these reforms are enacted into law, Americans get used to them, especially if they improve the quality of their lives. By the time the next generation comes along, they consider these once-radical concepts as common sense, like the old furniture in the house.

That's what happened with Social Security.

It began in 1862, when Congress enacted legislation providing pensions for Civil War veterans injured in battle. Soon these benefits were extended to the veterans' widows and orphans, and by 1890 any disabled Civil War veteran could qualify for the benefits, even if his injury wasn't caused by his military service. The 1892 platform of the People's Party, a populist crusade of rural farmers and urban workers, called for "fair and liberal pensions to ex-Union soldiers and sailors." Its presidential nominee, James Weaver, lost the race, but some of the party's ideas, including pensions, had a life of their own that captivated the public. As a result, Congress expanded the program so that by 1910, all Civil War vets, by virtue of old age, qualified for the pensions, as did their survivors.

The Civil War vets pension program became so popular that others took up the call for a similar benefit for all Americans facing economic insecurity. During the Depression of 1894, Jacob Coxey, an Ohio businessman and unsuccessful politician, led tens of thousands of jobless Americans from across the country on a march on Washington to demand government-sponsored jobs and a safety net during hard times. In 1901, the Socialist Party platform called for accident, unemployment, sickness, and old age insurance. Eugene Debs, the Socialist Charismatic leader, endorsed the entire package in his several presidential campaigns. In 1911, Berger, the Socialist Congressman, introduced the first proposal for universal old-age insurance. Labor unions took up the issue and agitated for both old age and unemployment insurance.

When the next big Depression hit in 1929, poverty and desperation increased dramatically. About one-quarter of all Americans were out of work and about half of the elderly lacked sufficient income to be self-supporting. As economic conditions worsened, protests by seniors, workers, farmers, military veterans and others escalated. In response, 30 states enacted some form of old-age pensions, but the programs were too stingy to alleviate much suffering. Only about 3 percent of the elderly received any benefits, and the average amount was only about 65 cents a day.

In 1933, Frances Townsend, an out-of-work doctor from Long Beach, Calif., transformed himself into a champion of the elderly

by developing a program called the "Townsend Old Age Revolving Pension Plan." Under the Townsend Plan, the federal government would provide a \$200 monthly pension to anyone 60 and older, funded by a 2 percent national sales tax. The Townsend Plan generated widespread support from desperate seniors seeking a respite from the hard times. Within two years there were 7,000 Townsend Clubs, with 2.2 million members, mobilizing around the country to get Congress to adopt the plan.

Sensing the angry mood, Louisiana Governor Huey Long catapulted onto the national stage by advocating a "Share Our Wealth" plan that called for the federal government to confiscate the wealth of the nation's richest citizens, limit their incomes to \$50 million, and guarantee every family in the nation an annual income of \$5,000 so they could afford a home, a job, a radio, and a car. Under Long's proposal, every American over 60 would receive an old-age pension. By 1935 Long had inspired 27,000 "Share Our Wealth" clubs, with 7.7 million members, around the country.

In 1934, Upton Sinclair - a popular novelist and perennial Socialist candidate - decided to run for governor of California as a Democrat. His radical campaign platform -- "End Poverty in California" -- included an old age pension of \$50 a month to Californians over 60. Sinclair surprised all political experts, as well as himself, by winning the Democratic Party nomination. Fearing a political upheaval, the <u>state's business establishment</u> joined forces to oppose Sinclair and support a moderate Republican. Warned by party insiders that Sinclair was too radical, President Roosevelt refused to endorse his fellow Democrat. Sinclair lost the run-off, but he garnered enough votes to alert Roosevelt that the public was become increasingly radicalized.

Several of FDR's close advisers, including Francis Perkins, a veteran activist who was his Secretary of Labor, encouraged the president to embrace the idea of old-age insurance as well as other progressive reforms that became the New Deal. He took their advice, and was quickly branded a radical by his business and Republican opponents.

Congressman John Taber, a Republican from New York, <u>proclaimed</u> that "Never in the history of the world has any measure been brought here so insidiously designed as to prevent business recovery, to enslave workers and to prevent any possibility of the employers providing work for the people." His New York colleague, GOP Congressman Daniel Reed, <u>warned</u> that if Social Security passed "the lash of the dictator will be felt." *The New York Times*, in an August 1935 editorial, said it was "ill-considered" and "very questionable." Harper Sibley, the president of the U.S. Chamber of Commerce, warned in May 1935 that it would result in "more unemployment in the future, killing the goose that lays the golden eggs."

FDR anticipated the attacks on his Social Security proposal and outmaneuvered the opponents. He used his bully pulpit, including several "fireside chats" on the radio, to carefully explain why Social Security was a good idea and why its opponents were misguided.

"A few timid people, who fear progress, will try to give you new and strange names for what we are doing," he explained in his fireside chat in June 1934. "Sometimes they will call it "Fascism", sometimes "Communism", sometimes "Regimentation", sometimes "Socialism." But, in so doing, they are trying to make very complex and theoretical something that is really very simple and very practical. I believe in practical explanations and in practical policies. I believe that what we are doing today is a necessary fulfillment of what Americans have always been doing -- a fulfillment of old and tested American ideals."

In 1935, Roosevelt and the Democratic majority in Congress enacted Social Security. Upon signing the legislation, FDR said: "We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age... It is, in short, a law that will take care of human needs and at the same time provide the United States an economic structure of vastly greater soundness."

The following year, Alf Landon, the Kansas governor running as the Republican Party's presidential candidate, pledged to repeal Social Security if elected calling it a "fraud on the working man" and "a cruel hoax." Silas Strawn, former president of both the American Bar Association and the U.S. Chamber of Commerce, described it in October 1936 as "economically preposterous and legally indefensible" that was "calculated to destroy our democracy and substitute a socialistic state." It was, he said, part of Roosevelt's attempt to "Sovietize the country."

As the former Governor of New York, Roosevelt knew that the chambers of commerce, manufacturers associations, and other business groups had opposed the most important pieces of social legislation on that state's books, including the factory inspection law (passed as a result of the 1911 Triangle Shirt Waist factory fire that killed 146 women), the law limiting the hours of labor for women to fifty-four a week, unemployment insurance, pensions for the elderly, and public works projects to put people back to work.

FDR was hardly a socialist. He viewed Social Security as part of his broader New Deal effort to humanize capitalism. Born to privilege, he understood that many business groups and wealthy people considered him a traitor to his class. They were, he thought, greedy, unenlightened, and on the wrong side of history. He was determined to take them on.

Most Americans agreed. In 1936, FDR beat Landon by a 60.8 percent to 36.6 percent landslide.

Today, Social Security insures families against the loss of income caused by retirement, disability, or death. Social Security provides over \$600 billion in benefits to 51 million people. It lifts 20 million Americans -- including 14 million seniors -- out of poverty, according to a study by the Center on Budget and Policy Priorities.

One third of Social Security's beneficiaries collect survivors or disability insurance, keeping millions of families with a disabled or deceased breadwinner from becoming destitute. Over 3 million children are direct Social Security beneficiaries, while many others have an immediate family member who receives Social Security benefits.

Americans view Social Security as a central component of the nation's social contract. It is probably the most popular federal government program. Not surprisingly, when President George W. Bush tried to privatize Social Security -- essentially asking Americans to put the security of their future in the stock market -- the American people considered it a preposterous idea, especially as they watched the stock market lose 38 percent of its value between January, 2000 and October of 2002.

There are still a handful of Americans -- mostly right-wing ideologues -- who continue to bash Social Security. They dress up

their arguments in different clothing, but their views haven't changed much from those of their counterparts over the past century.

Knowing that Americans overwhelmingly support Social Security, business groups, Republicans, and even Rush Limbaugh-style lunatics now focus instead on other issues -- including repeal of the 2010 health care reform, financial regulations, stronger workplace safety laws, policies to limit climate change, labor law reform, higher taxes on the rich, and even extension of unemployment insurance to the long-term jobless -- to demonize Obama and most Democrats as "radical" and "socialist." The issues vary, but mantra is the same: This liberal (fill-in-the-blank) policy will kill jobs, undermine the entrepreneurial spirit, and destroy freedom.

The success of Social Security teaches us two important lessons.

First, Americans should not be fooled by those who attack an idea as "radical" or "socialist." They should ignore the label and look instead to see who's doing the attacking and what the proposal actually calls for. History reveals that business groups and their political and academic allies always issue dire warnings about the awful disasters that will befall us if government protects consumers, workers, seniors, children, the disabled, and the environment. As we've seen time and time again, they are usually "crying wolf."

Second, throughout our history, progress is made when progressive activists and politicians propose bold, even "radical," ideas, and then win a series of stepping stone reforms that add up to major changes that redefine the social contract. Eventually, Americans learn to embrace these "radical" notions as common sense.

Peter Dreier teaches politics and chairs the Urban & Environmental Policy program at Occidental College. His book, <u>The 100 Greatest Americans of the 20th Century: A Social Justice Hall of Fame</u>, was just published by Nation Books. Donald Cohen is chair of <u>In the Public Interest</u>, a national resource center on privatization and responsible contracting. Dreier is the chair and Cohen is the director of the <u>Cry Wolf Project</u>, a nonprofit research network that identifies and exposes misleading rhetoric about the economy, regulation and government.