



Calum MacKenzie's View From The Shore:

The United Socialist States of America (USSA)

Socialism was defined by a CNN political pundit on the Lou Dobbs Show as a midway area between Capitalism and Communism¹. Webster² describes it as a political and economic theory advocating collective ownership of the means of production and control of distribution.

In practice, however, the theory assumes differences depending on the stress laid on its social, political and economic aspects³. Marxist socialism is concerned with the economic issues of communal ownership and control of production and distribution. Christian socialism stresses the social aspect as a way of life of good moral conduct and sound ethics. Democratic socialism stresses the political aspect looking for a mixed blend of private and state enterprises. All forms of the theory do agree that uncontrolled capitalism is anathema, as they seek equality of opportunity for all members of the communities in which it is practiced.

Given the above, does the former USA qualify for the moniker of socialist state?

Does the USA allow for communal ownership? Well, yes it does but it doesn't advertise the fact or practice transparency in its dealings. It uses the back door, goes under the counter, behind your back, and tip toes in by stealth. Despite having signed on to various trade agreements which ban subsidies for food stuffs, the US continues to subsidize just about everything on the grocery shelf.

In that way the US tax-payer is an indirect owner in the production and distribution, for example, of every 5 lb. bag of sugar sold via control of manufacture and distribution. The shades of gray between those practices and straight black and white Marxism have to be taken with a pinch of salt. Rent control in some of our major cities -- instituted some 80 years ago -- is still with us and controls the ways in which the free market might distribute residency.

Just as the massive profits from fossil fuels and munitions in the USSR trickled up to a select few and into their Swiss bank accounts, the recipients of USSA largesse are also a select few at the top of the food chain. The same good people who wrote the rules in agriculture, energy and national defense, are the same foxes sent in to guard the henhouse -- almost a mirror image of politics in the good old USSR. Just as in the former USSR, the rich in the USSA became richer at tax-payer expense. Profits were privatized and losses were socialized.

1 - <http://transcripts.cnn.com/TRANSCRIPTS/0810/15/ldt.01.html>
<http://movies.crooksandliars.com/Dobbs-West-Socialist-Policies-101508.wmv?mid=6600>
2 - <http://www.merriam-webster.com/dictionary/socialism>
3 - <http://en.wikipedia.org/wiki/Socialism>

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On a very recent "Meet the Press" ABC program⁴, the notion that a democratic ticket would surely be a tax and spend administration - praised Reaganomics - and had a vision of a larger government, with spending becoming a runaway train. How convenient it is for partisans to forget that their Ronnie hero presided over the largest government in history and blew the national debt to unheard of highs. Likewise "GWB" has been a profligate spender in an ever-expanding government. The hypocrisy is only matched by the cognitive dissonance.

In the USSR, China, Yugoslavia and elsewhere the form of socialism practiced, entailed central planning bureaucracies with several layers of management. Such horrors could never see the light of day in the USSA! Right! The ultimate horror of nationalism may be well and good for banana republics of no consequence, but never in the USSA! No sir! Yet what's happening now in Washington is central planning and Wall Street has the welcome mat in place, with layers of bureaucracy every bit as onerous as those of the socialist states.

The United Kingdom, France, Germany and Iceland may see fit to practice socialism and even nationalize certain sectors of its economy but not the USSA. We will make rhetorical flourishes and take an ownership interest in the financial sector. We will not nationalize banks. Instead we will invest in their future. Some, (like Lehman Bros.,) who are out of favour, will be allowed to go belly up, just to prove that capitalism carries certain risks and responsibilities. The question that remains unanswered is how Britain's nationalizing practices and ownership investing by the USSA, differ, if at all.

On a different tack, perhaps the USSA practices Christian socialism and yet there are so many forms of Christianity practiced, that collectivity arises in name only. It's sad to notice Old Testament values, including "an eye for an eye," trump new Testament values such as "turning the other cheek" and forgiveness. Gone are such behavior models as the "golden rule" as militarism shoves altruism aside.

Arguments on both sides allow legal remedies for wrongs committed and look with some disdain on cheek-turning as a character weakness. Waging pre-emptive war on innocents goes with prayers and blessings, and locals are legally put to death with clergy in attendance. Charlatans abound and hypocrisy is rife.

The tenets of Christianity go by the boards when church leaders publicly suggest the assassination of duly elected, world leaders, deliberately misinform the congregation, or invite high ranking, armed forces, mercenary officers to speak on behalf of government. That they do so under the auspices of Christianity offers up another round of cognitive dissonance to say nothing of questioning the separation of church and state.

As a nation which boasts greater church attendance than any other developed nation and spatters biblical references on its currency, crests, and court house procedures, the USSA has the potential to model good ecumenical cooperation. In Christian socialism, aspects which unite should outweigh those which divide and yet what we see is divisiveness and intolerance from leadership. While many good individual Americans rightly deserve the title of Christian socialist, the leadership has a long row to hoe in order to approach that blessed state.

4 - <http://movies.crooksandliars.com/MTP-McCain-Taxes-Reagan.wmv?mid=6670>

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So now we turn to democratic socialism in which the political aspects attempt to marry public and private enterprises into a happy mix co-existing in harmony with each other. Some would argue that there are programs and services, in small business for example, which are better suited to private measures while others offer the same arguments for their public counterparts. Examples in education, health care, infrastructure, policing, public safety, food inspection services, mass transportation, electricity production, etc., etc., are essentials which are better served in the public sphere where competition is not required and profit is contra-indicated.

Those supporters of public programs have no problem with this arrangement as long as the playing field is level and conditions identical for each. In effect they say, "If the private sector can do the job more efficiently with the same or better outcomes, go to it." The private sector for its part, boasts that it can provide a superior product cheaper, and has lobbied government for the same funding that the public sector has from the tax base.

Well fair is fair. If the story stopped there all would be well. However, certain governments favour the private sector, -- the so-called "American way" -- over public enterprises and set about under funding the public programs so that they fall into disrepair and disrepute. Simultaneously the private sector entities benefit from endowments, and lobbied ear marks at municipal, state and federal levels. De-funding the so-called left has become a *raison d'être*, an end game for too many governments by far.

The recent rounds of public bail outs of private enterprise have been excoriated by the 'right', as socialism. They claim that failure is being rewarded and that conditions have not been put in place to adequately repay the public purse for the enormous outlay of public funds. The government rescue plan for some parts of the financial system is seen by other struggling entities as a shining knight on a white charger come to save their sorry arses. Socialism rescues capitalism!

Banks and insurance companies which under wrote sub-prime mortgages and predatory loans, are now lobbying to have those debts removed from their debit columns -- again by government largesse -- again rewarding failure and greed. A purely capitalistic society would let those entities wither on the vine, stew in their own juice, and learn the tough lessons of their trade. The rescue packages set in motion for the private sector would not be countenanced if the bailout shoe was applied to the public foot. But socialism rescues capitalism and that's OK!

Industries such as the big three auto manufacturers are all now looking to Washington for a rescue package to bail them out of a situation of their own making. The cult of monster trucks and SUVs along with federal tax incentives to maintain the large auto status quo, have brought the industry to its knees. Foreign car makers, building high quality, energy efficient, cars were nimble and quick in adapting to the changing international energy scene and although the writing was on the wall for all to see, Detroit decided to buck the trend. Will socialism come to their rescue too?

States such as California are on the verge of bankruptcy. Weather anomalies have brought about disastrous hurricane damage and widespread wild fires, that states have been unable to staunch. Other states have seen unemployment insurance claims and welfare rolls swell beyond their ability to survive because of catastrophic job losses. In all of those categories,

there is a demand for help, a bail out, a rescue package, an investment in their future. Socialism anyone?

Similarly aberrant is the notion that the re-distribution of wealth under a democratic taxation program is socialism. By carrying this thinking to the other extremes it can easily be viewed as socialism for the rich when their tax burdens are minimized, (because wealth is re-distributed upward), or that every form of taxation is itself a re-distribution of wealth. Why does the corollary; the re-distribution of poverty not carry the same weight? Which re-distribution is more preferable, wealth or poverty? The case for socialism grows.

As the feds privatize services, contract out programs, and de-fund traditional roles, the states and municipalities have no option but to replace their funding at the local level through additional taxation, user fees, license fees, etc., or abandon the programs. Police, fire fighters, EMT, hospitals, schools and a host of publicly funded services from infrastructure repair and maintenance to food safety inspection are under funded as we speak. Would such de-funding occur under socialism?

So we arrive at uncontrolled capitalism. Unregulated financial markets eventually experience meltdown as we have seen. De-regulated banks can only gouge the consumer for so long before the backlash tells them to put their credit cards where the sun don't shine. The hedge funds have so refined their derivative instruments that only PhDs in mathematics can understand the permutations. Had they gambled with their own money only, there would be good reason to hang them out to dry. The government of the people, by the people has assuredly not been for the people.

Government has been criminally lax in its over-sight of all of these operators. One government run program which has diligently and accurately served the population as a whole for decades has been social security. It is an efficient, non-profit program par excellence. Just imagine the unspeakable horror of placing the billions held in that program into the hands of hedge fund speculators and Wall Street gamblers, only to watch them melt away? That is just what was proposed. It took socialist thinking to make the proposal dead on arrival. Hope lives! How audacious!

Capitalism has been an abject failure. The trust and faith that many had in buying good stocks and bonds has been shattered along with any hope they may have held for a comfortable retirement. The high-flying financial gurus have dug themselves into a hole from which capitalism is no answer. Applying the first rule of holes, we must stop their digging. That will entail firing the perpetrators in each category from the positions they hold without remuneration or bonus. Most will survive nicely on nest eggs that 99% of the population will never realize. There are many other Enrons on the horizon. Failure should not be rewarded. If anything failure should be remedied in court.

To put the wheels back on the broken wagon of state will require a heavy dose of socialism. The regulatory, policing, investigations, and inspection services which have been allowed to ebb and fade into oblivion, must be brought back to provide the best-in-class over-sight as we move slowly forward. Public input, education, and information must be up-front and transparent at every stage. All loop holes must be closed and all who buck the regulations should be fully prosecuted. Responsibility must return to the handling of other people's money and accountability must be so tight, it squeaks.

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Socialism is not a dirty word or one to conjure up dread. Democratic socialism has been practiced in many forward-looking modern nation states with outstanding success. It brings slow but steady growth and caters equally to all members of the population with programs that people want. It is only when toxic US-led deregulation with its culture of unbounded greed, has poisoned local initiatives that socialist states have suffered.

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