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THE REAGAN "COUNTER-REVOLUTION" AND THE AMERICAN CRISIS

by Philip Mattera and Vasilis Passas

The reign of Reagan marks the return of arrogance to the White House. The tone set by the Administration and its supporters has been one of self-satisfied gloating, of the Parisian bourgeoisie celebrating the defeat of the Commune. The mood was set from the first day, when the upper classes flocked to the Inaugural Balls in a delirious display of furs, diamonds, and general opulence. It was a far cry from Jimmy Carter's "people's inauguration" and blue jeans style.

The atmosphere has not changed in the subsequent months, though the recent budget deficit problems have dampened the celebration somewhat. Reagan himself has carefully cultivated the image of both a confident, even smug leader and a carefree gentleman of leisure. The media have happily cooperated in this effort, continuously showing pictures of a haughtily smiling president--whether Reagan is announcing cuts in child nutrition programs, praising the neutron bomb, sauntering off in his jodhpurs to go horseback riding, or swaggering around his California ranch dressed in denim and cowboy boots. The word is that a new "elegance" has emerged in Washington, and those in power have apparently even convinced themselves that the rest of the population is taking vicarious pleasure in the spectacle. The New York Times reported a Reagan official as saying that, "economically pinched Americans of today enjoy viewing the luxurious Washington way of life of Reagan Administration members, much as Americans who suffered in the Depression enjoyed watching Hollywood stars in the movies." Analyzing in show business terms an Administration headed by an ex-actor is all too tempting: cartoonist Jules Feiffer has already christened Reagan's view of the country "Movie America." What is not clear is whether Reagan is the director or merely the leading man, and whether the script will hold together.

The very ^epresence of Ronald Reagan in the White House is a remarkable victory for the Right in America. For the past 20 years, especially after Barry Goldwater's failed presidential bid in 1964, Reagan has been the embodiment of the conservative movement. To the reactionaries of the country he represented the last best hope for reversing the horrid effects of the social movements of the 1960's and early 1970's.

Reagan was also the vehicle by which the movement known as the New Right sought to impose its agenda on the federal government at the highest level. The New Right, which emerged in the early 1970's as a bitter opponent to the liberal Republicanism of people like Nelson Rockefeller, has created a powerful political structure based on sophisticated organizing techniques. The movement also includes a fervent religious crusade led by television evangelist Jerry Falwell and his organization called the Moral Majority. Falwell preaches that "godless, spineless leaders" have brought the country to the brink of disaster because of their refusal to take decisive action against the "five national sins" of abortion, homosexuality, pornography, humanism, and "the fractured family."

The New Right's obsession with moral issues is wedded to a crude anti-communism in the style of the old Right. One New Right member of Congress decorates his office with photographs of his heroes Joseph McCarthy and Pinochet. The depiction of the Soviet Union as satan prompts the new moral crusaders to be somewhat hostile to big business, because of its willingness to engage in transideological trade. Yet the New Right ^{presents} presented unfettered capitalism as part of God's design for the world.

It is amazing that the stupidity and primitivism of groups such as the Moral Majority have become an important force in U.S. politics. Starting well before Reagan's election, groups of "concerned" parents and citizens have engaged in countless crusades against the teaching of the theory of evolution in the public schools, sex education, "immoral" textbooks, rock music, "indecent" films and television programs, gun control, the Panama Canal treaty, and so forth. This conservative shift is part of a reaction to the social movements which rocked the country in the pre-

vious ten years. To the extent that those movements were successful, they undermined the postwar Keynesian system whose foundation was white, male industrial workers in nuclear families. Economic growth based on mass consumption and a productivity deal with those more powerful sectors of the working class succeeded for a while, but there was always the time bomb represented by the population not sharing in the "high standard of living." In the 1960's that bomb did explode in movements for civil rights, welfare rights, women's rights, and so forth.

Yet much of the force of the explosion was channeled by liberal institutions in directions that were supposed to contribute to a new phase of accumulation relying on "human capital" development. The overall result, by the mid-1970's, was ambiguous social and political change in a number of areas. Progress had been made in breaking down the old rigidities and the most blatant forms of institutional racism, sexism and exploitation: blacks in the South could vote more easily, women were no longer completely trapped in the lowest level jobs, the poor and unemployed were in a better position to get money from the state. [Yet progress was always limited and less than fully secure as well as often being tied into elaborate bureaucratic structures and complicated federal law suits.] Despite these limitations, the new wave of social legislation and federal government activism did pose a threat to the old working class--a threat that was to some extent real and to some extent fabricated to discourage solidarity.

White, male workers (and often their wives) struck back in a confused politics of anger and resentment. On the issues of morality, abortion, and the family--which ended up being more galvanizing than the question of jobs--the confusion and contradictions are greatest. The anti-abortion (or so-called right to life) movement includes many dedicated female activists who passionately defend home and motherhood, but who themselves are fully immersed in their politics outside the home. The same people who denounce government interference in other areas are pushing strongly for changes in the law which would bring the state into people's homes and beds to insure proper behavior. The celebration of the nuclear family is promoted in a society in

which less than one in five households conforms to the desired mold.

The New Right's offensive on social issues has been paralleled by the rise of a new school of economic theory and policy. Just as the Moral Majority is a ^{return} return to Christian fundamentalism, supply-side economics is a return to the traditional capitalist ideology of free enterprise and the entrepreneurial instinct as human nature. The supply-siders seek to revive selected aspects of classical political economy, particularly Say's Law, which they use as the basis for an attack on the Keynesian macroeconomic policy of demand management. These new economists argue that the preoccupation with demand has destabilized the U.S. economy through tax rates so high that they have undermined "the incentive to work." The magic formula for prosperity is thus said to be massive tax cuts, especially for corporations and the rich--which would supposedly stimulate savings and investment and thereby raise productivity and lower inflation. Also essential are large reductions in federal spending, especially on social programs, and extensive relaxation of business regulation. The state's proper functions are little more than controlling the money supply, maintaining law and order, and protecting the country against Communism. It is not surprising but ^(still chilling that) the "success stories" the supply siders point to are Hong Kong, Puerto Rico, and Chile.

The link between the New Right's moral crusade and the supply-siders' raid on the Treasury is made in the now-celebrated book by George Gilder, Wealth and Poverty, which Reagan officials quote and give away to visitors. According to Gilder, it is only women and the institution of marriage which can force men to channel their natural aggression in a productive manner; responsibility for the family compels men to work and invest and plan for the future. For Gilder, capitalism is based on "work, family, an faith"; the forces which pose the greatest danger to the system are high tax rates (which diminish the incentive to work) and the women's movement (which weakens the patriarchal family and gives women independent access to the wage). "In the welfare culture," Gilder shudders, "money becomes not something earned by men through hard

work, but a right conferred on women by the state."

The electoral victory of Reagan was based on a shrewd manipulation of an unstable combination of political forces. Somehow he managed to blend advocacy of big business, support for the rightwing populism of the tax revolt, and sympathy for the Moral Majority's effort to rebuild the family. Reagan was brought to power by a kind of rightwing Popular Front, ranging from oil company executives to the Ku Klux Klan--though the voter participation rate was only 54 percent, the lowest since 1948. One can argue endlessly about how much of the vote for Reagan was an endorsement of his politics and how much was simply a rejection of Carter, but the fact is that the conservative coalition emerged as a formidable political force that now controls the Administration and largely dominates Congress.

Reagan wasted no time in putting supply-side principles in action. He called for a 30 percent tax reduction (over three years) and proposed \$40 billion worth of cuts in social programs, while urging the largest expansion of military spending in U.S. history. Virtually all the progressive legislation of the past 50 years was to be slashed or eliminated, including welfare, Medicaid, unemployment insurance, food stamps, disability insurance, child nutrition programs, student loans, public health services, public housing subsidies, black lung benefits for coal miners, and on and on. Reagan at first spared Social Security and veteran's benefits (whose recipients represent important blocs of voters) but then decided that no one was to be immune from the supply-side axe. Well, almost no one. The reductions in special subsidies and credits for business were only token.

Reagan Administration officials tried to present the cuts as affecting only the "better off" parts of the working class, insisting that the "truly needy" would still have a "social safety net" to protect them. Aside from obfuscation, what was behind this was Reagan's direct attack on the idea that people had a "right" to income from the state--a key aspect of liberalism and the basis of struggles such as the welfare rights movement. The mastermind of the cutbacks, budget director David Stockman, has

said flatly: "I don't think people are entitled to any services." The notion of entitlement is seen by the Administration and the Right as the Pandora's Box which has unleashed the uncontrollable demands made by workers and the poor on the resources of the state.

Closely tied to this is Reagan's effort to transform the fiscal relationship between the federal government and the states. In his "New Federalism," Reagan seeks to eliminate many of the grants given by Washington to local government for specific programs and replace them with "block grants" which local authorities could spend as they like. This is not merely an ^{administrative} accounting change: it is another attack on the gains made by social movements in the past 20 years--gains that came about in confrontation with the federal government. Giving the states more discretion in spending federal funds would be tantamount, in most cases, to decimating or eliminating many programs serving blacks, women, and the poor. Block grants are a decentralization of the implementation of austerity under the guise of "states' rights."

The budget cuts entail not only an attempt to control popular demands on the resources of the state but also a restructuring of the government's management of the labor market and the terms of the reproduction of labor power. First of all, the Reagan Administration is seeking to intensify the impact of unemployment, to restore the sting of layoffs for both those directly affected and those who are supposed to fear for their jobs. From capital's point of view, the crisis of the past six or seven years has been a failure, in the sense that higher levels of unemployment did not sufficiently restore worker discipline at the individual level, though there was some success in intimidating unions. People began to use unemployment compensation as a kind of paid vacation or as a supplement to income earned from "off the books" work. Reagan's budget reduces unemployment compensation by forcing workers who have been out of work for three months to accept minimum wage jobs; it also calls for sharp restrictions on disability benefits for injured and diseased workers--which have also been subjected to great "abuse"--as well as the denial of welfare benefits and food stamps to the families of workers on strike. In fact, the fight against "fraud"

will be escalated in all transfer payment programs.

In general, the aim is to cheapen the cost of labor by forcing workers to compete more intensely for a shrinking number of worse jobs, by making it more difficult to strike, by restricting the rights of workers on the job, and by limiting the alternatives to waged employment. Along with this there is a reprivatization of many of the ^scosts of the reproduction of the labor force. The waged worker will once again be forced to assume burdens that the struggles of women, the old, and others had imposed on the state. This amounts to a repressive reimposition of the family on those sectors of the unwaged which have sought independent access to money. The weakening of the waged worker will make it more difficult for him to "pass along" the increased costs to his employer; instead, the result will be an intensification of family financial problems and a probable rise in domestic violence. The meager addition to net income provided by the tax cut for workers will be just enough to pay for a divorce.

Reagan has supplemented his fiscal attack on the working class with a dose of old-fashioned union-busting--his handling of the air controllers strike. He was smart enough to reserve his assault on organized labor for the controllers, who were in a relatively weak position, rather than trying to take on the coal miners during their 72-day strike earlier in the year. Reagan and his advisers undoubtedly remembered what happened to Carter back in 1978 when he tried to break the miners' strike with a Taft-Hartley law injunction: the workers told him to go to hell.

The controller^s, on the other hand, had a much less militant history (in fact, PATCO was one of the few unions which supported Reagan's candidacy) and as federal employees were legally barred from striking. The controllers could also be portrayed as privileged because of their relatively high wages, averaging over \$30,000 a year. Reagan's aggressive response amounted to an overkill: he not only fired all the strikers but also brought in military controllers to keep air traffic moving, got federal courts across the country to impose millions of dollars in fines and jail sentences ~~on~~ for strike leaders, and finally sought to have the union decertified. Although controllers are still picketing the airports, the Secretary of Transportation has in-

sisted that, since the controllers have been fired, "the strike is over. Our concern now is rebuilding the system." That rebuilding includes a sharp reduction in flights, indefinite use of military personnel, and increased application of computer flow control equipment.

The world is not so simple as Reagan and the supply-siders would like--and no amount of "tough" measures by the state will change that. "It used to be that you could look at autos and housing and pretty well know what the economy was doing, but not any more," a corporate executive confessed to Business Week. The old "locomotive" industries that dominated the U.S. economy since industrialization--the old terrain of social struggles over wages--are no longer at the center of the dynamics. Auto, steel, rubber, and so forth move out of the spotlight as they undergo a process of shrinkage and transformation. Wide swaths of the midwest are being deindustrialized, and the decent-paying, blue collar semi-skilled jobs that have characterized the backbone of the American labor market since Henry Ford's first assembly line are rapidly becoming extinct.

This is not to say that industrial workers have been marginalized: the energy crisis of the 1970's was primarily expressed in terms of the crisis of labor-management relations in the automobile and coal industries. But if the highly paid and undisciplined workers in these sectors produced the quasi-bankruptcy of Chrysler and the plummeting of coal productivity, on the other side, capital initiative led by the energy sector ~~with the expense for~~ brought about a new social discipline based on the price of oil. The main tool by which the previously fragmented and uncooperative pieces of the economic process are brought together was inflation. The rearrangement of social relations on an inflationary base was not the happiest one, since it produced a serious crack in what is supposed to be the backbone of social stability in the U.S.--middle class ideology. With interest rates reaching record levels and the housing industry in decline, the material presumptions of a stable middle class be-

havior gradually vanishes. The Right's propaganda about greedy Arabs grows thin in face of year after year of record oil company profits. In the minds of the planners are still engraved the news photos from Levittown, Pennsylvania (where, in 1979, "respectable citizens" rioted to protest gasoline shortages and high prices).

The energy companies have played a leading role in organizing private sector discontent about a meddlesome and inefficient Federal bureaucracy. Big oil has exercised constant pressure for deregulation of petroleum and natural gas prices as well as for the dismantling of environmental laws, which transform capital investment into social spending. At the same time, they lobbied hard for massive federal subsidies for the development of synthetic fuel. But the very need for alternative sources of energy gave all the more importance to the coal miners strikes in 1978 and this year: their measure of success in resisting reductions of the social wage (medical and retirement benefits) could be seen as the ultimate resistance of a class composition that may have been defeated on the direct wage level but could still resist at the level of its social power.

Yet it is undeniable that the miners are a bright spot on an otherwise bleak landscape of struggle by the traditional working class. Even before the Reagan Administration's direct initiatives regarding the labor market were made, the private sector was well along in its effort to erode the power of organized labor. There has been a renaissance of union-busting across the country, with the old Pinkertons and their clubs being replaced with "management consultants" and sophisticated psychological techniques. The New Right has campaigned vigorously against the union shop and has succeeded in getting "right to work" laws passed in about 20 states. Encouraged by this climate, non-union businesses have been growing, posing a serious challenge to established companies and unions in industries such as construction, ^{coal} ~~mining~~ mining, and airlines.

In other cases, unions are not being eliminated but are suffering severe losses in power. Here "management militancy" takes the form of forcing unions to sacrifice what they have already won: since 1978 or so, "giveback" has become a central word in the vocabulary of collective bargaining. The most notorious case was the conces-

sions made by the United Auto Workers as part of the plan for rescuing Chrysler from bankruptcy. After the union consented to \$462 million in givebacks, it was flooded with demands for "relief" from dozens of other companies. Wage cuts and other sacrifices are being posed to unions as the only means of avoiding even more plant closings and employment reductions. Workers in industries such as rubber, meatpacking, newspaper publishing, airlines, and railroads have given in to this blackmail.

At the same time, there is increasing discussion of "labor-management cooperation." U.S. business is turning Japanese: it is seeking to improve labor discipline and raise productivity by giving workers some voice in planning production. Countless "quality circles," "self-managed work teams" and other schemes are being used to resolve what was supposedly an overly adversarial relation between labor and management. The "concession" made by Chrysler to the U.A.W. in exchange for the contract givebacks was to give union president Douglas Fraser a seat on the corporation's board of directors; one of the first things Fraser did was to announce that the workers would henceforth take full responsibility for the quality of the product. Before long, U.S. companies will be asking their workers to start the day with mass calisthenics and singing of the corporate song.

This combination of old-fashioned coercion and modern cooptation is preparing the labor force for the restructured economy that is emerging out of the deindustrialization and the rearrangement of capital investment. The issue is no longer simply employment, but what kind of employment and where. There are signs of an increasing polarization of conditions of work as industry becomes more and more variegated, with the momentum concentrated in the energy and high technology sectors. Yet the hierarchy of terms of employment does not necessarily correspond to the hierarchy of the sophistication of technology. The high-tech sectors such as electronics, telecommunications, and genetic engineering will create a number of shit jobs, just as the marginal sectors sometimes provide fairly high cash income for people working "off the books." Yet it is clear that the labor process in high-tech industries--as

well as in the scaled down and modernized operations of auto, steel, electrical equipment, etc.--will be transformed through automation. In the past few years in the U.S. there has been a rapid acceleration of mechanization. More than 3,000 robots are now in operation, and major industrial companies ^{are} ~~are~~ planning to increase their investmens in automation to more than \$5 billion by 1985.

On the other side of the story, there has been a marked expansion of marginal manufacturing--a revival of the sweatshop. Officials in New York estimate that as many as 50,000 people may be toiling in sweatshops in that city alone, at wages as low as \$5 a day. Home labor, both legal and illegal, is spreading, and the Reagan Labor Department has proposed eliminating all restrictions on this practice, which has traditionally been subject to extensive employer abuse. Since almost all home workers are female, this form of employment fits in with the Right's attempt to force women back into the home while retaining them as a source of cheap labor. All of this forms part of the growth of an underground economy in the U.S. which is absorbing significant amounts of labor power.

The underground economy can be seen as an extreme form of the process of deregulation, which capital has been posing as an essential addition to tax and budget cuts as key to the new wave of accumulation. Reagan seems to be prepared to move much further than Carter in not only phasing out "obsolete" regulation in sectors such as transportation, but also ^(much of) ~~in~~ the social regulation of the past 15 years, which has created rigidities in the labor market and in the workplace. The people he has named to the key regulatory agencies are almost all crusaders for deregulation. In the area of occupational and environmental health, Reagan's appointees are representatives of the new school of business existentialism on the question of risk: the idea that life is inevitably full of risks, so there is no point in the government trying to reduce the ^{incidence} ~~risk~~ of cancer, for example.

The political changes being sought by capital in the forms of tax cuts, elimin-

ation of social programs, and deregulation all point to a very different role for the federal government in the restructured economy and state. In eliminating those aspects of state policy which arose in response to popular struggles, Reagan et al. are returning the government to its pre-New Deal function of serving the needs of capital directly and exclusively. The new administration almost seems bent on fulfilling the classical Marxist idea of the state as the executive committee of the bourgeoisie. Though this is clearly too simple a role in the current stage of capitalist development, the restructured state does assume a very different position with regard to the working class, and in doing this it is embarking on something of a gamble.

The retreat of the state from its mediating role in social conflict first of all puts into question its ability to manage the "inflationary expectations" which have plagued economic policymakers for the past decade. It is true that the fine structure of networks that the state had created to deal with those demands had shown themselves to be ineffective; thus the talk about the "crisis of democracy" and the inevitability of inflation. The new strategy of fiscal repression and the not-so-convincing promise of a supply-side boom come at a time when the dislocations of the restructuring of industry might impel people to make more, not fewer demands on the state. The gamble is that "incentives" will succeed in taking the place of entitlements; as one supply-side theorist has put it: "In cutting marginal tax rates we boost net wages, encourage work through such means as increased overtime, less absenteeism, more part-time work, later retirement and shorter periods of unemployment."

This is quite a sanguine view in light of the fact that the new role of the state will move class struggle out into the open, tearing the veil away from the confrontation of labor and capital. As in the past, perhaps the greater risk concerns the unwaged more than the traditional working class; in immediate terms the Reagan strategy will fall more heavily on those dependent on federal programs. In conventional political terms the unwaged are in the most vulnerable position; yet it is this group more than waged workers which has been prone to taking violent action in re-

ing to prepare for "the coming race war."

Yet perhaps the most repressive initiative by the Reagan Administration and the New Right is the drive to criminalize abortion and restrict other rights of women; if anything in the U.S. today is comparable to the repressive anti-terrorism of Europe, it is the so-called Family Protection Act. The intention of the proposed legislation is "to strengthen the American family" (the nuclear family, that is). In pursuit of this goal the bill would limit federal intervention on behalf of battered women and children, restrict federal programs that provide birth control and abortion counselling for teenagers, prohibit federal funding for school curricula which "denigrate traditional sex roles," change the tax code to penalize families in which the woman works outside the home, and restrict the rights of gays. The rightwingers in Congress are also seeking a constitutional amendment against abortion for all women, and they have already voted in committee that "life begins at conception"--the basis for making abortion ~~xxxxxxofxxxxxx~~ punishable as murder.

The extent and rapid success of the Reagan fiscal initiatives have created a new political landscape in the U.S. The gradual disintegration of liberalism turned into a complete collapse, as the Democratic Party acquiesced to Reagan's tax and budget bills and thereby brought about the end of even the appearance of a two-party system. For capital, this represents the risk of the new strategy on a political level: the collapse of a legitimate political force that can presume to speak on behalf of the workers. Thus the recent calls, even by some lower level union officials, for a labor party. In fact, one of the interesting results of the current climate is the transformation of the unions into something of an oppositional force. In opposition to the traditional reactionary union position regarding foreign policy and energy, labor committees have been formed in the past few years in opposition to nuclear power (especially after Three Mile Island) and U.S. intervention in El Salvador. Leaders of two large national unions, Douglas Fraser of the autoworkers and William Winpisinger of the machinists, openly flirt with "socialist" ideas and organizations. Even the

AFL-CIO, in the wake of the air controllers strike, felt compelled to take a stronger stance against Reagan and thus organized a large Labor Day march in New York and a Solidarity Day march on Washington.

The rise of a social democratic initiative in the union movement is one aspect of the increasing prominence of the so-called democratic socialist sector of the American Left. Groups such as the Democratic Socialist Organizing Committee have focused on working within the Democratic Party, and despite the victory of Reagan and the emergence of the one-party system, they stubbornly maintain their belief in gradual evolution toward socialism. An editorial in Socialist Review, the leading journal of this tendency, has come out and argued against mass protest as a response to Reagan, claiming that that sort of action would suggest that the Left can only express itself in the streets, rather than where, according to the democratic socialists, it really counts: in the voting booth. The best these people can do is to take refuge in the "pendulum theory"--the notion that Reagan will make such a mess of the economy that by 1984, the next presidential election year, the voters will be ready for a move back to liberalism.

It is undeniable that the opposition to the initiatives of Reagan and the Right has been largely ineffective. After the budget cuts were announced the usual type of coalitions were formed, but they were mainly paper organizations that did little to mobilize large numbers of people. There was more success in building opposition to the U.S. role in El Salvador, but even there the main effect was to force Haig to carry out his policy quietly rather than in the bold and theatrical style of his initial moves. The problem is that with the demise of liberalism, the Left is ~~the~~ compelled to choose between defending the welfare state and developing a more militant strategy to appeal to large numbers of people--neither of which it has been ^{It has not wanted to} able to do very effectively.

Ironically, the most significant challenge to Reagan thus far has come from

within capital, namely Wall Street. The financial capitalists have failed to be convinced of the magic that will supposedly be worked by supply-side policies. Interest rates have remained persistently high and the stock market has been ~~xxx~~ tumbling as a result of fears that in spite of the massive budget cuts the federal deficit may be as high as \$100 billion. Wall Street has been the first to express alarm at the contradictory efforts of the two groups of Reagan's economic advisers and policymakers. The monetarists have been supporting the Federal Reserve in its attempt to control inflation by keeping the money supply tight, while the supply-siders have been pursuing what was traditionally considered an inflationary path (cutting taxes) in the effort to stimulate growth; moreover, the ^{huge} ~~huge~~ increases in military spending will ~~effectively~~ cancel the effects of the cuts of social programs in terms of balancing the budget. What had been a friendly rivalry between the two schools of thought has turned into a bitter antagonism, with each side preparing to blame the other for what may be the imminent transformation of the promised Reagan economic miracle into no more than an intensification of stagflation. At this point, the only thing all the parties can agree on is the need for even more budget cuts; to soften the political impact of this, Reagan is now considering some reductions of the previously untouchable military budget.

What lies behind the controversy is more than a lack of faith on Wall Street. It has been recognized for some time that monetarism is seriously limited in its ability to control the money supply, especially amidst the creation of all sorts of new financial instruments. Mindful of this, the supply-siders have put forth the proposal for a return to the gold standard--which would probably solve the problem of inflation, but only by provoking a grave depression. The supply-siders also refuse to acknowledge their policy's inability to control the way in which the additional net income being bestowed on corporations and the rich will be used. There is no guarantee, especially in a climate of persistent inflation and sagging profitability, that "productive" investments will appear more attractive than corporate

acquisitions or purchases by the wealthy of real estate and antiques.

Whether or not supply-side policies have any of their intended effects, and whether or not the Moral Majority has any success in restoring the happy family, it is clear that Reagan and the New Right do not represent a viable long-term strategy for a new phase of accumulation. Fiscal repression and tax incentives do not amount to a sufficient basis for social control. It may be true that the Keynesian form of social truce had become unmanageable, but there will continue to be pressures in that direction. Even amidst the Reagan celebration there are voices within capital insisting on the need for a new "social contract" (the popular word during the last days of the Carter Administration was "reindustrialization") for recreating productivity growth as well as some form of incomes policy to deal with inflation. The laissez-faire ~~axxxx~~ ideologues may resist, but it is hard to imagine them not giving in in the face of the next bankruptcy à la New York City and Chrysler or the next upheaval à la Brixton. It is still hard to see what kind of mixture of repression and cooptation will be necessary to achieve the new social peace, but it is likely that pragmatism will replace arrogance in the cowboy-actor's White House.