

A PARADOX OF OLIGARCHY

By Michael Ventura

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Less government does not necessarily mean less Oligarchy. More government does not necessarily mean more Oligarchy.

Think not? Examine two game-changing pieces of legislation: the federal government's Servicemen's Readjustment Act of 1944 and California's Proposition 13 of 1978.

Otherwise known as the "G.I. Bill," the Servicemen's Readjustment Act "provided college or vocational training for returning World War II veterans... as well as one year of unemployment compensation. It also provided many different types of loans for returning veterans to buy homes and start businesses... An important provision of the G.I. Bill was low interest, zero down payment home loans for servicemen. This enabled millions of American families to move out of urban apartments and into suburban homes" (Wikipedia).

The bill was a masterpiece of bipartisanship. Originally proposed by the ultimate Democrat, President Franklin Delano Roosevelt, the G.I. Bill owes its scope and passage to people whom few remember. Henry W. Colmery, a former Republican National Committee chairman, broadened FDR's concept considerably, outlining the finished bill (so the story goes) on a paper napkin. Then, with the crucial support of Warren Atherton, national commander of the American Legion, the bill was shepherded through Congress by an Arizona Democrat, Sen. Ernest McFarland, and a Massachusetts Republican, Rep. Edith Norse Rogers. I didn't know their names until I researched this column, but, in creating the G.I. Bill, they did more for America than Ronald Reagan and John F. Kennedy put together.

No nation before or since has attempted a project of such scope. Through the G.I. Bill's massive government subsidies, for the first time in history millions of common people achieved higher education, bought houses and started businesses, creating the nation of prosperity and opportunity that was the United States circa 1945-1975 – creating, in short, the America that people across the political spectrum now pine for and long to return to.

"Irony" is an overused word, but no other suffices when you learn that "the 18 percent of Americans who identify themselves as Tea Party supporters tend to be Republican, white, male, married and older than 45 (*The New York Times* online, April 14)." These people are, literally, children of the G.I. Bill and the America it created. The country they clamor to "take back" is the country of their parents, a country made possible by a big government program that dwarfs any proposed today, a program that enabled the phenomenon we name by the catch-all phrase "the American middle class" – a class that would certainly not have been "middle" without the G.I. Bill. Yet, were such a bill proposed today, Republicans, Tea Party enthusiasts, and many Democrats would call it "socialist."

It was "big government" but it wasn't Oligarchy. Oligarchy redistributes resources from the bottom up, whereas the G.I. Bill distributed resources from the government to all of society. This was not "state control" but state-sponsored incentive, a government

program that gave Americans opportunities that would otherwise have been beyond their reach.

The visionaries of the G.I. Bill acted on a simple principle. Call it “social capitalism.” To be more precise, call it “nonauthoritarian social capitalism” (to distinguish it from the authoritarian social capitalism practiced today by China). At the core of the G.I. Bill’s social capitalism was the belief that a nation fulfills its greatness when as many people as possible are guaranteed a chance by a responsive representative government that referees but does not control. That was the ideal. In practice, it fell short in many ways. But it worked well enough to create a society in which unions and industries gained strength; a society in which the civil rights movement, the anti-war movement, and the women’s and gay liberation movements took root and thrived; a society of unprecedented creativity in its arts, its social aspirations, and its technological leaps. That society didn’t just happen. It was the result of a social framework supported by legislation that was nothing short of enlightened.

The death-knell of that society was another legislative act that, again ironically, sought to freeze America’s advantages in time: California’s Proposition 13 of 1978, which instigated the “tax revolt” that transformed this nation into a dysfunctional polity that serves Oligarchy.

I’ll spare you the details of Proposition 13’s tax codes. The law “and [its] implementing legislation caused a shift in support for schools from local property taxes to state general funds... Percentages allocated to cities, counties, special districts and school districts were set in 1978... and [could] be changed only by legislation” (www.ed-data.k12.ca.us). “The initiative also contained language requiring a two-thirds majority in both legislative houses for future increases in all state tax rates... It also require[d] a two-thirds majority in local elections for local governments wishing to raise special taxes”(Wikipedia).

California’s government became stuck in the world of 1978. The two-thirds legislative voting requirement made structural government change virtually impossible. In order to meet basic operating expenses, funding was continually cut for public schools, state colleges and universities, libraries, fire departments, hospitals, and social programs of every stripe. “California public schools, which in the 1960s had been ranked nationally as among the best, have fallen to 48th in many surveys” (Wikipedia).

Nor have homeowners fared as well as they intended. “The biggest beneficiaries are commercial property owners, not residential property owners”; Proposition 13 gave commercial property owners “a lesser percentage of the overall tax burden than private owners” (Wikipedia). This encouraged the malls and “big-box” stores like Wal-Mart and Costco that overwhelm local outlets and are prime Oligarchy moneymakers.

Proposition 13 was the G.I. Bill’s polar opposite. Proposition 13 not only ignored, but contradicted and combated, the fundamental principles through which a society grows and thrives. It denied government the capacity to change with the times. It refused to see that if everybody’s kids don’t get a decent education the quality of life eventually declines for everybody. It denied the basic, uncomfortable, unavoidable fact that everyone is connected to everyone else, and that no segment of society can thrive for long if every other segment is forced into decline. It stripped representative government of its capacity to allocate and referee; instead, it created a power vacuum that was greedily filled by the forces and mechanisms of Oligarchy. This nation’s richest, most innovative state became its first failed, helpless state.

With Proposition 13, California became the poster-child for the crippling paradox that lower taxes and less government can add up to more and stronger Oligarchy. California is still a rich state, but its riches go to the Top Tier and the Professional Tier of Oligarchy. Everybody else is left out. The mechanism of that exclusion continues to be Proposition 13 -- a cry for lower taxes that's been taken up across this continent.

On May 12, the front page of *The New York Times* featured an analysis by David Leonhardt that stated our situation succinctly: "We have not figured out what kind of government we want. We're in favor of Medicare, Social Security, good schools, wide highways, a strong military – and lower taxes." Leonhardt called this a "disconnect." "Disconnect" is an oh-so-polite, Times-style way of saying "crazy."

The question Cain posed to his God – "Am I my brother's keeper?" – is the fundamental question of government. It implies another, and perhaps more existential, question: If I am not my brother's keeper, what am I?

To be continued.

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