

The New Public Philosophy

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Ours are not problems of abstract economic theory. These are problems of flesh and blood; problems that cause pain and destroy the moral fiber of real people.

These words, spoken by Ronald Reagan when he accepted his party's nomination for President, mirror the dilemma that faces the powerful groups that, through the medium of the Reagan presidency, now control American politics. They have won power in the name of conservatism but they are intent upon effecting a species of radical change, change that will be harsh, without the promise of progress or of rising expectations. The dilemma is that the program for change rests upon a public philosophy different from, even antithetical to, the one on which he campaigned. The dilemma ran throughout the acceptance speech: he proclaimed the need for "a new beginning" and then proceeded to go backward to the Mayflower Compact for inspiration.

The quotation cited above appears to keep faith with the sentiments that have been Reagan's hallmark—that if elected, he would restore an older, simpler, public philosophy. In that spirit, the speech drew a contrast between two conceptions of politics: one that was sensitive to moral concerns ("flesh and . . . pain . . . moral fiber"), the other a politics guided by "abstract economic theory" and insensitive to human suffering and moral consequences. The distinction was reiterated later in the speech when Reagan promised tax relief and jobs but without resorting to "any new form of monetary tinkering or fiscal sleight-of-hand. We will simply apply the common sense that we all use in our daily lives."

But well before the inauguration of the new President, the Reagan regime had distinguished itself by two qualities: an assertive and dogmatic commitment to “abstract economic theory,” and a determination to effect sweeping changes—the word *radical* was welcomed at one point by an administration spokesman—on no other basis except an admittedly untested economic theory. In the weeks that followed the election, the country resembled an economics seminar as politicians, commentators, corporate spokesmen, and academic experts debated the merits of Laffer curves, supply-side economics, monetarism, and reindustrialization. Once the Reaganites were installed in office, they quickly demonstrated that their commitment to theory was not purely theoretical; what seemed “theoretical” was their commitment to conservatism. The new President challenged the society to have the courage to shake off the old ways. “Isn’t it time,” he asked, “that we tried something new,” that we “chart a new course,” and that we resist the temptation to cling to “old economic practices”?¹ Within a few short months, the new administration initiated a far-reaching program of spending cuts, tax changes, deregulation, and reduced social services that completely turned on its head the campaign rhetoric quoted earlier. “Problems of flesh and blood” were sacrificed to “abstract economic theory,” causing “pain” and destroying “the moral fiber” of real people.

In the context of the problem of establishing the legitimacy of a course of action that is intended to reverse, change, and even destroy a fair number of established rights, institutions, and powers, the important point is not the seeming contradiction between campaign rhetoric and actual practice, but the difficulty of the dominant groups in reconciling two opposing conceptions of legitimacy, one that appeals to traditional moral and religious sentiments, patriotism, and homely wisdom, the other to the authority of economic theory. The former is the basis of the conservatism that Reagan professes. For two decades his rhetoric has attempted to evoke a world of God-fearing friends and neighbors, close-knit families, and self-evident truths about “the work ethic” and the immoral lives of those on welfare. This conservative or, better, traditionalist conception of legitimacy assumed practical importance as an organized political force during the last presidential campaign. Religious fundamentalists, evangelicals, anti-abortionists, anti-ERAers, moral majoritarians, textbook and library censors, and opponents of teenage sex were among Ronald Reagan’s earliest and most enthusiastic supporters. Although many of the beliefs and demands of these groups are sharply at odds with democratic values of diversity, freedom, and tolerance, the beliefs themselves, while sometimes

¹ Speech to joint session of Congress, April 28, 1981.

twisted almost beyond recognition, are historically grounded in the political culture of the country.

Broadly speaking, until World War I, what there was of an American political culture derived from three main sources: religion (primarily Protestantism), English common law principles, and seventeenth- and eighteenth-century political theories of natural law, natural right, and social contract. From this stock of notions, Americans fashioned a language of public discourse for discussing and arguing about their common condition and its problems. It gave Americans their basic ideas of "power," "justice," "right and wrong," "equality," "freedom," and "authority." Insofar as Americans were disposed to question the legitimacy either of those who governed or of their policies, they relied upon a language that had an inherent bias toward treating political questions in moral/religious or legal terms. For example, leaving aside such obvious illustrations as the Mexican War, the slavery controversy, the Spanish-American War, and World Wars I and II, and recalling instead the intense debates over Hamilton's financial plan, the Jacksonian attack upon the National Bank, or the post-Civil War disputes about paper money and silver, one is struck by the moral and religious fervor surrounding the debates over fiscal and monetary policy. In a sense, Americans had no notion of economic policy independent of politics and morality. Bryan's famous "Cross of Gold" speech, with its crucifixion imagery, was the perfect expression of American political culture.

The second form of legitimacy, which is expressed in the Reagan regime's commitment to economic theories, is antitraditional. It symbolizes the forces that have been the carriers of a counterculture that has been in the making since about the seventeenth century. The most important of these are science and technology, the centralized and administratively oriented nation-state, and corporate capitalism. Historically, each of these forms of power has had a devastating impact upon traditional culture. In their beginnings, science, the modern state, and capitalism had a strong religious cast: early scientists avowed that their investigations would demonstrate the true wonders of God's creation; early modern rulers were "God's anointed" and "defenders of the faith"; and, if Weber and his followers are to be believed, early capitalists consecrated their economic activities to the service of God. But in the course of time these religious associations were not only shed, but religious beliefs and institutions were attacked as false and as impediments to progress. Many of those who championed the cause of science, a free capitalist economy, and a rational administrative state tended as well to be strongly critical of customary moral notions and of the political values associated with the natural law-social contract tradition. Customary morality was dismissed as unthinking habit, natural rights as metaphysical speculation or, in Bentham's jeer, "nonsense on stilts." Only later, when science, state, and economy were secured as autonomous spheres,

was toleration extended to traditional religious and moral values. It was, however, a limited toleration. Those who developed the orthodox conceptions of science, capitalism, and state insisted that successful activity in each of these spheres depended upon the systematic exclusion of religious and moral values—that the decisions of government officials and private entrepreneurs, like scientific investigation itself, had to aim at “objectivity.”

This counterculture may be said to have been groping toward a concept of legitimacy that would be the exact opposite of the one favored by a traditional culture. It needed a concept that would serve to justify and rationalize change. More pointedly, it needed to legitimate the type and tempo of change peculiar to modern science, technology, capitalism, and state: change that is unceasing, rapid, expansive, and deliberately fostered. For this, a different public language had to be found. Its precise form would have to accord with the cultural characteristics of the forces it would be expressing. It would have to be scientific in method and spirit; technological, in the sense of being a science with practical application; completely at home with the spirit and institutions of capitalism; and adaptable to the needs of the modern centralized and bureaucratized state. These were the specifications that economics would have to fulfill if it were to serve as the public philosophy for the society being evolved through the collaborating powers of capitalism, science, and the state.

Following their electoral victory, the leaders of the Reagan administration hoped to pursue a strategy that could exploit both these forms of legitimacy—the traditional one, now narrowed and intensified into the demand that public policies accord with absolute morality and revealed truth, and the scientific one embodied in the administration’s “economic philosophy.” But early on the administration settled the question of which form had priority and showed that it would not hesitate to sacrifice tradition to change. It drew up a legislative strategy that distinguished “economic” programs (budget, taxation, etc.) from “social and emotional issues” such as abortion, school prayer, and virtually all of the other pet projects of the religious and moral activists. The emotional issues were to be held back until passage of the economic measures was assured. This was merely the first of a series of confrontations in which the administration overrode the wishes of the old believers. The refusal to fight for the LeFever nomination and the insistence upon fighting for the O’Connor appointment in the face of outraged cries of betrayal made clear the administration’s preference for technicians—Mrs. O’Connor was touted for her competence, not for her conservatism—over ideologies without redeeming economic significance.

The President's somewhat cavalier treatment of those who had loyally supported him in the belief that his election would mark a return to the old verities and pieties is not to be ascribed to cynicism but to the demands of a program that aims at important substantive changes in the responsibilities of government rather than in its role or even in its powers. Thus while social services are being reduced, the government-controlled defense economy is expanding and, *pari passu*, so are the powers of government. Control over monetary policy, taxation, agriculture, foreign trade, scientific research and development, and education are not being surrendered. The law enforcement, intelligence, and surveillance powers of the government are being increased, not diminished. There is the strong likelihood, therefore, that when the Reagan years are over the country will have a stronger, pared-down state, one that exerts its control over the entire society through a restricted set of instrumentalities, instead of through a vast network of programs that it is beyond the capacity of government to manage efficiently.

The importance of economics in public counsels is not a Reagan innovation. Economists have been a familiar and ever-growing presence in national affairs since the early years of World War II. But it is not their numbers alone that are significant or the use that is made of their knowledge. It is rather that the prominence of economics is both the herald and the agent of a profound transformation in American political culture. "The economy" has emerged in the public consciousness as a sharply outlined, autonomous entity, the theater in which the destiny and meaning of the society will be worked out. Relegated to secondary importance are the main notions through which the society once understood its identity, notions such as "democracy," "republic," "the Constitution," and "the nation" whose meaning was essentially political. As we suggested earlier, American society is fast acquiring a new public philosophy to express its collective nature.

The strongest evidence for the quiet revolution in the public philosophy that has taken place over the past half-century is in the changed terms of public discourse. The state of the nation becomes meaningful only when we are able to talk about it as "rates" of various kinds—rates of "inflation," "interest," "productivity," "money supply," "capital formation," and, last but not least, "unemployment." If, as philosophy has taught us, the limits of our language are the limits of our world, and if, as the linguists say, language sets limits to what we can think, then the change in public discourse implies that some of the things the old language was suited to express and emphasize are being lost or downgraded

by a new public vocabulary, while some things which may have been devalued by the old vocabulary, or discreetly veiled, are being exalted.

What can hardly be doubted is that economics now dominates public discourse. It is now common practice to rely upon economic categories to supply the terms of discussion in legislatures, bureaucracies, and mass media; to frame the alternatives in virtually every sphere of public activity, from health care, social welfare, and education to weapons systems, environmental protection, and scientific research; and to function as a sort of common currency into which all problems have first to be converted before they are ready for "decision making." "The methodology of public choice," according to one standard account, "is that of economics."² Lester Thurow's way of posing the problem of "environmentalism" is a representative example of the faith that practically any public concern can be reduced to economic categories. "Environmentalism," he asserts, "is not ethical values pitted against economic values. It is thoroughly economic."³ Economics thus becomes the paradigm of what public reason should be. It prescribes the form that "problems" have to be given before they can be acted upon, the kinds of "choices" that exist, and the meaning of "rationality."

One of the most widely used techniques that have enabled economic thinking to penetrate almost every sphere of public action is "cost-benefit analysis." Its basic principle is that it is rational to prefer one alternative if its benefits are greater than those of the next best alternative. For the technique to work, numerical values have to be assigned to the costs and benefits involved; that is, a price tag has to be put on all the relevant values, otherwise comparison is difficult, and without true comparisons the chooser cannot make "trade-offs," such as accepting lower prices in exchange for dirtier air. The universal application of the technique and the simplicity of its terms—no small recommendation to bureaucrats—were stated by one economist in a letter to the *New York Times*: "Everything has a cost, and . . . it is not rational to undertake an action unless its benefits are at least as great as its costs."⁴

The political implications of these developments are obscured by the claim of economists that a technique is neutral, and that whatever use is made of the results of a technical analysis is not the responsibility of the analyst. Unfortunately these neat compartments, which attempt to separate technical analysis from political judgment, do not hold. This is because economics considers a

² Dennis C. Mueller, *Public Choice* (New York: Cambridge University Press, 1979), p. 1.

³ Lester Thurow, *The Zero-Sum Society* (New York: Basic Books, 1980), p. 105.

⁴ *New York Times*, March 16, 1979.

judgment "rational" only when it encourages efficient utilization of resources or the maximization of profits—thereby blurring the distinction between analysis and judgment. This is illustrated by the celebrated Roskill Commission Report in which some British economists, applying cost-benefit analysis to a question about the best location for an airport, came to a conclusion that showed not only how analysis and judgment formed a seamless web, but also a way of justifying the imposition of sacrifices on a segment of the community:

The right answer in the interests of the nation rests in a choice which, however damaging to some, affords on a balanced judgment of advantages and disadvantages the best opportunity of benefiting the nation as a whole.⁵

A revealing glimpse into the role of economics in the struggle to change the public philosophy was provided by the response of the Reagan administration to a recent Supreme Court decision. In 1978, acting under the authority of the Occupational Safety and Health Act, the then Secretary of Labor issued a rule designed to limit workers' exposure to cotton dust. According to the Court, the Secretary had issued "the most protective standard possible." The cotton industry protested the standard, arguing that the Act required that before a standard could be imposed it had first to be justified by a cost-benefit analysis. The Court rejected that reasoning and declared that Congress had chosen "to place pre-eminent value on assuring employees a safe and healthful working environment."

The Court clearly recognized that the point of the Secretary's ruling was to place the health of the workers outside the profit framework and, in effect, to render the balancing of benefits against costs wholly irrelevant. However, by the time that the Court's ruling came down, the Reagan administration had taken office. Its response was swift and indicative of the decisive role assigned economics in the new public philosophy. Fittingly, the response came from a member of the President's Council of Economic Advisers. He promised that the administration would move to change the law so that henceforth all government regulations would have to meet the standard of a cost-benefit analysis.

As this incident shows, the public role of economics cannot be understood as though economics were simply a scientific body of knowledge that seeks to represent a particular segment of reality in the manner suggested by Nobel laureate Samuelson:

All sciences have the common task of describing and summarizing

⁵ For a discussion see R. Layard, ed., *Cost-Benefit Analysis* (Harmondsworth, England: Penguin Books, 1976), p. 429 ff.

reality. Economics is no exception. There are no separate methodological problems that face the social scientist different in kind from those that face any other scientist. . . .⁶

As the language being used to formulate public choices, economics is necessarily engaged both in constituting reality and in legitimating the reality it has helped to bring into being.

The claim that economics is neutral appears plausible primarily because of the illusion that surrounds the existing political system. The usual picture depicts a system that is responsive to a broad array of interests and that sometimes inclines toward one set, other times toward another. Or sometimes the system is run by Democrats, other times by Republicans. Economists are widely perceived as working for the government, that is, developing the technical means to further policies that have emerged from the give-and-take of the political process. In reality, economics works within a system that is dominated by the power of corporations whose wealth and influence economists help to strengthen and promote. When the economist is dealing with the alternative uses of scarce productive resources, he is abetting a system that enables those who possess great power to use the system to reproduce and increase it. The same process, of course, serves also to reproduce and increase the powerlessness of the less powerful.

Until roughly forty years ago, government and business managed without relying much on the services of economists. There are doubtless many reasons for the economists' population explosion. One of them is the transformation of the interrelationships between state power, corporate power, and science. Once relatively informal and occasional, they have developed in the twentieth century into a set of dynamic interactions that are increasingly integrated and rationalized. The total wars of the twentieth century, with their close collaboration between science, industry, and the state, were the fullest expression of this. The role of economics as the public philosophy of this collaboration awaited the development of economics to the point that it could be recognized as authoritative knowledge. The quest for authority was triumphantly vindicated in 1969 when, in the company of mathematics, physicists, chemists, and biologists, an economist was named Nobel laureate, the first in what was to be an annual honor. The cere-

⁶ Paul Samuelson, *Collected Scientific Papers*, ed. J. E. Stiglitz (Cambridge, Mass.: MIT Press, 1966), vol. 2, p. 1752.

mony climaxed the efforts of generations of economists to systematize their subject and to develop the formal features of a science, paralleling the course of the national economy and the nation-state, both of which followed a pattern of development toward increasing centralization and rationalization. The interlocking system of state and economy, which had begun in earnest after the Civil War, needed a body of knowledge that would enable the two systems, economy and polity, to be treated as one political economy or as one economic polity; and in the age of extraordinary scientific achievements and universal deference to scientific authority, the body of knowledge that would serve as the basis for a new public philosophy must, of necessity, be seen as scientific.

The question raised by these developments is whether economics can fulfill the requirements of a public philosophy. Most contemporary economic doctrines, whether libertarian, neoclassical, or neo-Keynesian, depend upon certain politically relevant assumptions that have remained virtually intact since the eighteenth-century beginnings of classical economics. These assumptions were antipolitical in their first formulation and they remain so today. It will repay to revisit them in their original.

Adam Smith's *Wealth of Nations* (1776) is generally acknowledged to have provided the first foundation of modern economics. Instead of focusing upon the political nature of society and analyzing it in terms of notions drawn from law, political theory, and political history, Smith looked upon society as a structure of production, as the organization of human activity into a form of power that supplied society "with all of the necessary conveniences of life which it annually consumes."⁷ In order to explain how society worked, Smith set aside the notions popularized by political theorists, and instead of picturing society as formed by a free act of consent, as the social contract theorists had, and then working out related notions of obligation, right, equality, and membership, he relied upon nonpolitical concepts such as the division of labor, the market, competition, and exchange. Instead of taking the citizen as the fundamental unit, concentrating on the citizen's relationship to political authority, Smith saw men as either workers, capitalists, or landowners, with their most important relationships arising from the division of labor and the market. Society could thus be described without recourse to a political vocabulary. The depoliticizing effect was

⁷ Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. W. B. Todd (Oxford: Oxford University Press, 1976), vol. 1, p. 10.

reinforced by Smith's conclusion that economic relationships function most effectively and harmoniously when individuals are allowed to pursue their own interests without interference by political authorities.

Smith's reasoning took him from the claim that the economy embodied the essential structure of society to the claim that the self-adjusting mechanism of the free market would efficiently perform the essential coordinating functions that the state had traditionally undertaken but botched. According to early modern political notions, the state was responsible for coordinating and directing human activities toward the common ends of security, justice, peace, prosperity, good morals, and piety. Smith rejected that conception. "The duty of superintending the industry of private people and of directing it towards the employments most suitable to the interest of society" is, he averred, beyond all "human wisdom or knowledge."⁸

Smith's famous alternative to a politically ordered society was a society in which the common good—a traditional political notion for which he would typically substitute an economic concept, such as "the annual revenue of the society"—would materialize without anyone intending it. Or, more accurately, the common good would result from a myriad of individual actions inspired by a goal that was the exact opposite of the common good:

[The economic actor] neither intends to promote the public interest, nor knows how much he is promoting it. . . . He intends only his own gain. He is in this. . . led by an invisible hand to promote an end which was no part of his intention.⁹

The antipolitical thrust of Smith's outlook extended beyond doubts about the competency of political rulers to skepticism about the likelihood of human beings developing communal ties that placed any significant strain on their limited supply of altruism. Human beings, he thought, need each other because no one can be self-sufficient; but this did not mean that we should expect others to help us: we have to "address ourselves not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages."¹⁰ When economics made the basis of a public philosophy, the image of the economic actor as naturally self-regarding, calculating, and competitive becomes the assumption that public policies and the way citizens are spoken to, dealt with, and treated. The contemporary economist has, if anything, a harsher view of human beings. Thus Thurow dismisses the argument by Schumacher that "small is beautiful" on the grounds that "it does not exist because it does not jibe with hu-

⁸ Ibid., vol. 2, p. 687.

⁹ Ibid., p. 456.

¹⁰ Ibid., vol. 1, p. 27.

man nature. Man is an acquisitive animal whose wants cannot be satiated."¹¹ The same assumption has been placed at the center of the so-called "theory of public choice," one of the academic versions of the new public philosophy: "The basic behavioral postulate of public choice, as for economics, is that man is an egoistic, rational, utility maximizer."¹²

When a notion of human motives and potentialities that was originally conceived to explain private behavior is pressed into public service, its limitations become serious. In the ordinary course of political events—as well as in the extraordinary occasions of war, natural disaster, and even economic crisis—the constant assumption cannot be that most citizens are egoistic and insatiable. The reason for a civic culture is that citizens will have to cooperate, tell the truth, respect each other's rights and sensibilities, observe the law, and pay taxes, if a self-governing and free society is to be possible. Under the conditions of war or emergency, even more is expected of them. Some can expect to die, others who may already suffer from extreme deprivations will be asked to suffer more, to "trade off" Harlem, say, for Vietnam. But because a public philosophy grounded in economics cannot nurture a civic ethic, it is forced to declare it obsolete. In the words of a former chairman of the President's Council of Economic Advisers:

Market-like arrangements . . . reduce the need for compassion, patriotism, brotherly love, and cultural solidarity as motivating forces behind social improvement. . . . Harnessing the "base" motive of material self-interest to promote the common good is perhaps *the* most important social invention mankind has achieved.¹³

It was possible to stave off the antipolitical and demoralizing implications of economics as long as the prevailing public philosophy was grounded in strong beliefs about religion, morality, law, and political values, and as long as economic modes of thought remained marginal and Americans retained their historical skepticism about the motives of businessmen. Most of this was clearly understood by some noted economists earlier in this century. "A theory of economic policy, in the sense of a body of precepts for action," one of them wrote, "must take its ultimate criterion from outside economics."¹⁴ This viewpoint assumed, as the great welfare economist A. C. Pigou noted, "a stable gen-

11 Thurow, *Zero-Sum Society*, p. 120.

12 Mueller, *Public Choice*, p. 1.

13 Charles L. Schultze, *The Public Use of Private Interest* (Washington: Brookings Institution, 1977), p. 18.

14 Lionel Robbins, *The Theory of Economic Policy in Classical Economics* (London: Macmillan, 1952), p. 177.

eral culture” in which “the things outside the economic sphere either remain constant, or, at least, do not vary beyond certain limits.”¹⁵

Since World War II this presupposition about a stable culture has collapsed along with the culture itself, both victims of the incessant and rapid changes in which ever-advancing societies specialize. When the moral and political ground of public philosophy has disintegrated and a new ground is sought in economics, politics reaches the dead end perfectly mirrored in Thurow’s widely praised *Zero-Sum Society*.

Thurow is the purest example of the political innocent armed with economic realism. That all public questions can be converted into economic terms has no doubt (“Wilderness areas are to some extent natural resource insurance policies”);¹⁶ that there are economic solutions to most of our major domestic problems he is equally convinced. There is really only one problem that prevents America from being the best of all technocratic worlds: every one of the solutions Thurow draws from his bottomless kit requires “that someone must suffer large economic losses.”¹⁷ Our society is, through and through, a “zero-sum society,” trapped in economic *immobilisme*, because the rational solutions to all our major problems are solutions at some group’s expense. In a society where everyone and every group is presumed to be rationally egoistic, deaf to all pleas save self-interest, there are no volunteers ready to offer themselves on the altar of the common good. “Everyone wants inflation in his own prices and wages and deflation in everyone else’s prices and wages.”¹⁸ Faced with a situation where, as he delicately puts it, society “must make equity decisions” and “decide when losers shall suffer income losses and when losers should be compensated,”¹⁹ Thurow discovers that he is saddled with a theory that cannot provide good reasons why people should act contrary to their interests even though the future of society may depend on it. “Equity decisions,” he acknowledges, “cannot be deduced from purely factual or logical statements,” which is to say that they cannot be deduced from a science like economics.²⁰ Adam Smith’s good friend David Hume could have saved Thurow

15 *Economics of Welfare*, 3rd ed. (London: Macmillan, 1929), p. 21.

16 Thurow, *Zero-Sum Society*, p. 115.

17 *Ibid.*, p. 11.

18 *Ibid.*, p. 66.

19 *Ibid.*, p. 195.

20 *Ibid.*, p. 200.

considerable trouble: If we think in economic terms, then there is no reason why I should prefer the scratching of my finger to the destruction of the Universe.

Left to his own devices, Thurow wavers between despair and technocracy, only to end in incoherence. Since he has even more trouble than Adam Smith had in conceiving how anyone with an economic stake in a matter could act disinterestedly in it—Smith described disinterestedness as “an affectation not very common among merchants and very few words need be employed to dissuade them of it”²¹—he is forced to embrace the illusion that somehow the society will elevate a Great Technocrat in the Sky and give him their burden: “But somehow there has to be a disinterested judge with the power to decide or tip a political decision in the right way.”²²

“To tip a political decision in the right way”: that phrase, with its implication that the “political” element enters at the end—after the technical process of formulating economic alternatives has been completed—shows what the ultimate function is in the political use of economics. It is to mask power by presenting what are essentially political and moral questions in the form of economic choices. As the society moves from a condition of surplus to one of scarcity, economic policies are ways of distributing sacrifices. We choose to fight inflation rather than to increase employment; to introduce a tax policy that favors the affluent because they already enjoy a sufficient margin so that they can invest their tax savings; and to increase defense spending and reduce social programs because the global reach of our corporations needs to be promoted and protected by credible violence. Each of these decisions is a political decision involving increased benefits to some, deprivations to others. But it is prevented from reaching the impasse depicted by Thurow because the power generated within the politicized economy and the economized polity is cumulative. Powerful corporations destroy communities and then leave for another region where they have used their power to extract tax concessions, improvements (roads, sewers, etc.), and anti-union conditions. Or they bargain to stay and squeeze economic favors from beleaguered cities, e.g., tax exemptions, relaxation of environmental protections, and suspended zoning ordinances.

The enormous concentrations of power being generated by the quest for private advantage is essentially antipolitical power, as the measured abandonment of factories, the extortionist tactics used against cities, and the destruction of Poletown demonstrate. It is antipolitical because, inherently, it contains no principle for transcending conflict to find common ground. There is no reconcili-

²¹ Smith, *Wealth of Nations*, vol. 2, p. 456.

²² Thurow, *Zero-Sum Society*, p. 16.

ation, only winners and losers; there is no basis for common action, only threat, inducement, or corruption. When the economy becomes the polity, *citizen* and *community* become subversive words in the vocabulary of the new political philosophy. The ultimate achievement of this form of politics is that it completely reverses Lord Acton's dictum. Instead of power corrupting, this politics manages to corrupt power by divorcing it from its grounding in a political community. The necessary condition of a political ground to power has been stated and restated for about 2,500 years: power becomes political when it is based; not when a victor emerges and imposes his will, but when shared and common concerns are discovered through a process of deliberation among civic equals and effected through cooperative action. Which is not only why the new public philosophy cannot rise to a genuinely political plane, but also why it will continue to need the backing of the moral and religious conservatives. In their fury over welfare, abortion, sex, women's rights, and school prayers, they furnish a substitute for politics, replete with solidarity, a sense of community, and a glow of moral superiority. And they leave the entire structure of power, inequality, hopelessness, and growing repression wholly untouched.