

# Do the Right and Left Agree on the Economy?

[This is a letter from a friend in response to my letter [“The Economic Merger of Corporate Capital and the Capitalist State”](#) (9/8/08), together with my reply of Sept. 17, 2008. –S.H.]

----- Original message -----

From: John L.

Date: Sept. 17, 2008

Scott,

I was watching a TV talk show last night that is held by a conservative commentator, Glenn Beck, and I found it very interesting that he brought up a lot of the same issues as you have expressed in this and other emails. The specific thing I thought was interesting was that he/his team had done some research and came to the conclusion that with current government spending habits, that the US would be basically broke in twenty years or so, only taking in enough taxes to fund Social Security and one other program (I forget which one he mentioned) after servicing all the debt they are building up. This means that thing like defense spending and all the other big ticket items the government pays for couldn't be funded, leading to who knows what kinds of scenarios. Of course his direction is finding ways to fix these issues. I suspect your direction would be to let nature take its course. But it was interesting to see someone on the 'right' express many of the same views as someone on the 'left' in this case.

John

**[Reply of Sept. 17, 2008]**

Hi John,

The economy is really going nuts these days, isn't it. This is what they used to call in the old days a "Panic"! I heard that there was another big drop on Wall Street again today, and I just read on the Internet that worldwide there has been a loss in stock values of \$4.4 trillion just this week alone!

I'm not familiar with Glenn Beck specifically, but most of the old-style conservatives who talk about the massive debt that has been built up—consumer debt, business debt, government debt—do so from sort of a moral abhorrence to such a thing. This is actually a very old-fashioned idea that even most Republicans no longer agree with. The growth in both consumer and government debt under Bush, for example, have been far greater than ever before.

The fact is, the economy would completely collapse if it were not for the continued growth of debt. This is something that these “balance the budget” conservatives just don’t understand. But it is true that neither consumer debt nor government debt can continue growing forever, and at the ever faster pace that is necessary to keep the economy above water.

When debt bubbles start to pop it doesn’t show that the build-up of the massive debt was wrong from the get-go, like some conservatives think. If that were curtailed earlier then the crisis would have broken out earlier. This is the point that conservatives can’t grasp. (Because they don’t understand the fundamental contradiction of capitalist production—that the workers can’t possibly be paid enough to buy back all that they produce, and therefore *must* be granted credit to do so.)

The stuff about the U.S. being totally broke and incapable of further expanding debt in 20 years or so is certainly scary. At the rate the government has been piling up more debt this past week it is quite possible the end will come long before 20 years, however!

One of the big issues for conservatives is talking about the Social Security System going broke. Of course that is just part of their general opposition to Social Security in the first place. Many of these guys *want* it to go broke, so it can be completely eliminated. If the U.S. government hadn’t blown a trillion dollars on the current Iraq war (so far!) it would have plenty of money to bail out Social Security.

But the fact is that the government can’t possibly fight all the wars it wants to fight, bail out all the banks and corporations it wants to bail out, cut taxes, and so forth—without enormously aggravating the economic crisis. So that’s why it is certain to continue in one form or another.

The only questions are just how bad is it going to get, and how soon?

I don’t argue that things should be left to “run their course”. Instead I argue that the only things the capitalists and their government can effectively do to keep the economy going—i.e., expand consumer and government debt—have just about reached their maximum limits. And that means a new depression is on the way. And the way things have been developing over the past year, it doesn’t look like it will be all that far off.

Scott