

POLITICS & GOVERNMENT

Why Liberalism Has Floundered

"A Historical Perspective on the Future of Liberalism" by Otis L. Graham, Jr., in *The Center Magazine* (Mar.-Apr. 1981), P.O. Box 4068, Santa Barbara, Calif. 93103.

An automobile jerrybuilt with unmatched parts will break down sooner or later. Similar incongruities largely explain the decline of American liberalism, argues Graham, a University of North Carolina historian.

Nineteenth-century "liberals" were predominantly small businessmen. Opposed to the encumbrances of mercantilism and resentful of the state's role, they talked of liberty and supported laissez-faire economics. But by the turn of the century, the growth of monopolistic corporations threatened the free market's provision of vital "public goods"—equal opportunity and social harmony, for instance. So progressive reformers declared justice a liberal goal. Some (represented by Woodrow Wilson) urged using government intervention (e.g., antitrust actions) mainly to restore competitive markets. Others, led by Theodore Roosevelt, envisioned the establishment of strong, permanent regulatory bodies to curb corporate power. The New Dealers, writes Graham, tried to blend these two ultimately conflicting aims—liberty and justice—and added a third, social welfare.

For years, a strong economy enabled liberals to ignore their inconsistencies. The "broker state" they devised, says Graham, "solved" most problems simply by granting the demands of politically powerful factions. Yet liberals' pragmatism soon lapsed into unthinking bias. After years of battling corporate power, they forgot that government



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The Cleveland Plain Dealer's Ray Osrin depicts liberalism as being over the hill, facing public scorn.

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develops selfish interests of its own. And they failed to see that public intervention "is often merely another way for private groups to impose costs on the society at large."

At its best, writes Graham, liberalism is a broad "impulse for gradualist reform," aimed at correcting the abuses of modern industrialism and rallying citizens "from privatism and resignation" to action in the community's interest. But liberals must abandon ad hoc economic tinkering and return to some form of laissez-faire economics guided by key planning agencies (e.g., a national development bank, a national service program). And they must acknowledge the need for "social cohesion." Americans' physical and "genetic" health, selective curbs on immigration, and an emphasis on community and cultural bonds, Graham insists, can be promoted by individuals with a "progressive" outlook and not left to "ethnocentric conservatives."

A Political Voice for Business?

"Business and the Media" by Kevin Phillips, in *Public Affairs Review* (vol. 2, 1981), 1220 16th St. N.W., Washington, D.C. 20036.

For all its real or imagined power, Big Business is a largely silent player in American politics. But several recent Supreme Court decisions point the way toward looser legal restraints on corporate political advocacy. So reports Phillips, a Washington political consultant.

The First Amendment to the Constitution guarantees individuals the freedom to express almost any sentiment under almost any circumstance. But corporate speech has traditionally enjoyed fewer protections. Though the guidelines for noncommercial corporate speech (as opposed to pure advertising, which may be tightly regulated) are generally vague, some strict limits have been set. For instance, in order to check the influence of money on elections, federal and state laws bar corporations from advertising on behalf of political candidates (but allow businesses to make limited campaign contributions). The Internal Revenue Service decides whether corporate purchases of "advocacy" ads—which promote a company's views on public policy—are tax deductible.

But the ever-growing importance of economic and energy issues has increasingly blurred the distinction between commercial advertising and corporate political speech. (Is an oil company's exhortation to "develop energy for a strong America" a sales pitch or a political statement?) And no clear judicial yardstick exists for telling the difference. In two 1980 rulings that Phillips believes defy all logic, the Supreme Court deemed one New York utility's literature promoting electricity use as commercial but another's pro-nuclear power pamphlets to be noncommercial.

But future rulings may considerably broaden the bounds of protected corporate speech if *First National Bank of Boston v. Bellotti* (1978) is any indication. There, the Court suggested that the "inherent worth of