



THE MORAL CORE

Sunday, June 21, 2009

Every week CUIP's president Jacqueline Salit and strategist and philosopher Fred Newman watch the political talk shows and discuss them. Here are excerpts from their dialogues compiled on Sunday, June 21, 2009 after watching selections from "The NewsHour with Jim Lehrer," "The Chris Matthews Show," and reading Newsweek's cover story "The Capitalist Manifesto."

Salit: Newsweek ran a cover story titled "The Capitalist Manifesto," with a lead essay by Fareed Zakaria. Basically, "The Capitalist Manifesto" says that it's not capitalism that is in crisis, it's finance that is in crisis, due to the unregulated/greedy/irresponsible behavior of the financial industry, all of which was legal. After laying out an overview of the crisis and the signs of seeming recovery, Zakaria concludes by saying that whatever your take on this crisis, over the last 30 years of globalism crises have occurred at a more frequent rate and that overall instability needs to be addressed. How? At the core of any recovery, and at the core of any stable system, has to be a higher standard of morality and ethics. He says the big question raised by the crisis is the question of public trust. Who holds the public trust? Obviously, there's a lot to unpackage here. Tell me your thoughts about his argument: capitalism works, but it needs a greater morality and ethics at its core.

Newman: Let me put it this way. You could probably make the case that if you have a serious moral and ethical core, almost anything works. But the deeper point is: Is there a way of systematizing human life such that it gives expression to any sense of a moral core? Hasn't that been the everlasting question of philosophy, religion, politics and everything else? People are people. People behave the way people do. Now, can you construct a system without corruption that people conform to? This is a philosophical question, which doesn't mean that it's impractical. I think what's being raised here is very practical. But, I don't know if you can raise it fruitfully in the way Zakaria is raising it. To me, the more serious and practical question, although it might seem terribly abstract, is: Are human beings capable of constructing a human system?

Salit: OK.

Newman: I don't know the answer, but I'm not convinced that the answer is obvious. Why is it that so many systems in the history of the various cultures of the world have always tended to bring in something external to human beings – whether it's gods, or laws of history, or laws of the free market or laws of class struggle. Why is it that we, meaning we, the people of the globe, have this need to appeal to something other than us to construct a coherent world system? I don't know if there's an answer to that question, but the answer might be that we have to make such an external appeal because human beings, in and of themselves, are not capable of doing without it. So we have to appeal to something other than human beings. Have there been advances over

the course of history? Yes, I think so. Have there been moral advances? That's questionable.

Salit: There's a lot in what you said here. You're pointing to the fact that human beings create systems where something external to us is an organizing principle, but of course, while it's external to us, we also created it.

Newman: That's the very point. We created it as external to us.

Salit: OK.

Newman: Ergo, alienation.

Salit: Alienation, OK. So to stay with the system we human beings created called capitalism, Zakaria says: 'Capitalism has its flaws.' He reframes the famous Winston Churchill statement about democracy: 'Capitalism is the worst economic system in the world, except for all the other ones.' Its capacity to create wealth is unmatched and he cites countries with huge populations and great poverty, like China and India – one communist, one capitalist – that have used capitalism and markets to lift hundreds of millions of people out of poverty. This is what capitalism does. But, Zakaria says, it goes off the rails because of greed. So, the challenge of the 21st century – and *Newsweek* created a very grand cover with the words, "The Capitalist Manifesto" to underscore this – is to figure out how to expunge, control, and moderate these kinds of excesses where the profit motive drives the system beyond sense. Zakaria thinks it requires a kind of "reform" of morality. President Obama is focused on regulatory reform. Obama has just presented a plan where the Federal Reserve will regulate financial institutions considered "too big to fail." They've set up a Consumer Protection Agency so that mortgages and credit cards are not weapons of mass destruction (my term, not his), so that the American people are not so dramatically at the mercy of lenders. Zakaria would argue, I presume, that regulatory reform is fine but the society has to develop morally and ethically, for this all to work. We know we want it to work. We know we need it to work. But we have to find that moral center to make it work.

Newman: What if it's unfindable, given the materials that we have to work with, namely people?

Salit: Well, that's a problem.

Newman: I would say so.

Salit: Yes. And, you're saying, what if it's the case that the very thing that we need to make this thing work can't be done, or can't be done now, that it can't be done at this stage of human development.

Newman: Alright. Let's agree that that's what I'm saying. What about that?

Salit: Well, I go back to President Obama who says: *We've got to create a regulatory system that does the best we can.*

Newman: Is that a question?

Salit: No, it's a description of what some progressive-minded people, including the president, are saying about what we need to do. I don't know if they'd say "given that we can't do this other thing." But they're saying we need to do this now. That's the best we can do. Or, that's what we can do and we hope for the best.

Newman: Of course, it's pragmatism. You do the best you can. You try to find the thing that works best. Of course, it's less than clear what "works" means. The evidence seems to suggest that what "works" includes what many people consider to be the continuance of an unfair distribution of wealth. So, do you consider that to be "working?" You're back to a moral question. But, maybe that's what human beings can accomplish. One way of looking at human history is that it has been a continuous vacillation between these different extremes. The closest thing to a relatively stable compromise, some argue, is the United States, where we don't have the extreme disruptions of human life that take place in lots of places. There are endless theories as to why that's true: natural resources, democracy, the two-party system. There's still a desire on the part of many, many people to come to the United States. The standard of living in the United States is still spectacularly better than anyplace else in the world. The United States has been hit very badly by this current crisis and yet, relative to other parts of the world, we still have a high living standard, higher than many, even most, places on the globe. And even so, many people – from me, to the president, to most Americans – want to find ways to move things forward and make things better. But that has to be tempered by, perhaps, a greater consideration of the gap between what human beings are able to create and what human beings are capable of understanding. I think that gap is, in some ways, more pronounced now than ever before because of the extraordinary creativity of human beings. Our capacity to understand the complex world we create is lagging behind.

My response to Zakaria's piece is that it seems to be a hodge-podge of economic information without anything resembling an answer to the very question he's raising. And, yes, it's an interesting headline on *Newsweek*. But he doesn't do much by way of proposing how to achieve the very solution he offers, does he?

Salit: No. And, it makes me think of a question we received from a Talk/Talk reader, Jeff Roby, about the discussion we had last week about Richard Posner's book "The Failure of Capitalism." You commented that you thought that the crisis that we're in now is worse than a depression.

Newman: Yes.

Salit: Jeff wrote in and asked what you mean by that. What is it, if it's not a depression? If it's worse than a depression, what is it that's going on that makes it worse?

Newman: Jeff is an old leftist and it's always good to hear from him. "Depression" is an economic term from a simpler period in American history. Part of what "depression" means is that it's a phenomenon which can be overcome. I'm not utterly convinced that what's happening right now can be overcome. Does that mean that I think there has to be a revolution to save America? No, I don't accept that. That's an element of Marxism that I've long rejected and the key term that I reject in that formulation is "has to." I don't think there "has to" be a revolution, as much as I consider myself a revolutionary. No. I think that this limbo reality we're living through could simply be the ongoing state of human affairs. It needs reforms. It needs changes. And I hope that they'll be good ones. So I'm rooting for Obama to do some good stuff. Do I think he's going to come up with a solution to the fundamental contradictions of this crisis? I do not. Do I think there is an ultimate, abstract, ideologically constructed answer to this whole thing? I do not. You asked the question earlier of who should hold the public trust.

Salit: Yes.

Newman: The answer to that question is both impossible and obvious.

Salit: The public.

Newman: Yes, the public should hold the public trust.

Salit: But?

Newman: But the public might not be trustworthy. What if the people are not trustworthy? The evidence for that does not seem slight. So what do we do then? Maybe the question for the Left has evolved from *Reform or Revolution?* to something like: *Reform or Reform?* There are differences between some reforms and other reforms. Maybe the 19th century notion of revolution is not what this species of ours can accomplish. I don't think that's an anti-revolutionary position. It's trying to turn that concept into something that lives. It's a more serious consideration of revolutionary transformation. So, maybe we, the people of the world, have to begin a more extended process of coming to understand this other notion of reform, and maybe, to answer Jeff's question, we've come to a point where we have to re-conceptualize that whole process, consistent with what has been manifest in the history of the last several hundred years and what our species has been able to do. Which is not to say we're not going to go forward, whatever that means. But, at times, the process of going forward – I think science teaches us this – requires significant re-conceptualization.

This is roughly what I mean by postmodern Marxism. I don't think it's an abandonment of the revolutionary spirit. I think it's an abandonment of the revolutionary "ideal," in the worst 19th century sense of the word. This has been my lifetime project – one I've worked on with many other people. Because I'm as polemical as any leftist, I'll say straightaway that the knee jerk Marxist will call my position an abandonment of Marxism. I don't think it's an abandonment of Marxism. I don't think Marx can be

abandoned. He was a great thinker and he's had a huge impact on the world. But I think we're at that point in this particular scientific evolution – in the science of revolution – where there has to be a reconsideration of what fundamental concepts mean. This is an attempt to advance the science of change so we can go on to a new stage, taking into account actual human history which everybody, including Marx himself, took to be fundamental to such considerations.

Salit: This is kind of a pop culture note on what you're saying. I saw the new Woody Allen movie, "Whatever Works." In the opening scene, the main character, played by Larry David, is sitting at restaurant in Greenwich Village, in our neighborhood, with a bunch of guys. He's a classic Woody Allen protagonist. He's an "almost Nobel Prize physicist" who's a real misanthrope and very bleak about the world. At one point in this opening scene, he says, 'You know, Marx was 100% right. Marx had it absolutely right. Great ideas...From each, to each, and all that kind of stuff. The one problem is that it was premised on the idea that human beings would go for that kind of thing. But they don't.' He's making a point about human behavior. There is an ideal, it's been out there, about how to organize a society, a country, a world that draws upon people's strengths and talents and creativity and takes care of everyone, but we just can't get there because people won't behave that way.

Newman: With all due respect to Woody Allen and Larry David, I don't think that's the end of the discussion. After all, there has been a lot of energy given to the question – leave aside child rearing – of what we, as a society do when people don't behave in a social and responsible way. Are we able to change people's behavior? Yes, we are. Some ways of doing so involve development, the decent and humane ways of doing it. Other options are totalitarian and ugly. But we know we can change the way people behave. So the issue is much deeper than that. Woody Allen gives Larry David an intelligent remark to make. But it's still a remark made for movies. And there's more than movies in this world.

Salit: Yes. There's also sports.

Newman: There's also sports, yes.

Salit: How's that for a segue?

Newman: I think I've come a long way. I used to think there was only sports. Now I've reached that level of development in life where there are some things other than sports.

Salit: OK. So we have Mary Fridley's sports question. She says, 'As you know, LA Lakers coach Phil Jackson just won his 10th NBA championship, which makes him the most successful coach in professional basketball history. In the conversation following the championship, there were a number of sports analysts who questioned how good Jackson really is, given that he's worked with some the greatest players in the game, including Michael Jordan and Kobe Bryant.' How would you respond to these comments about Jackson and, more generally, Mary asks you to talk about the role of the manager

or coach in professional sports. 'What, in your mind, makes a good manager and coach and who are some that you have admired?'

Newman: How do you evaluate Phil Jackson, given that he's had the best players? Let's grant that's true, though on a statistical basis, there's probably a more precise analysis of the distribution of talent in basketball. But, I can even concede that he's had very good players, maybe the best players. I think Jordan and Bryant are two of the best basketball players. But Jackson's played a role, after all, in shaping that. He's put together a team and then led the continuous process of shaping that team. I think he handles that exceedingly well. That's his greatness as a coach. To put it in traditional sports language, he gets the best players together and lets them play. Some coaches are more directive than others. But I think the best coaches recognize that this is a player's game and not a coach's game and you have to let the players play and their job is to create an environment in which they can maximize their chances of playing well. When he played basketball Jackson was, in some ways, the originator of the 6th man, your first substitute. He would come in and give a burst of energy to the starting five. It seemed to me – this may be too philosophical – he would recreate the team relatively instantaneously. Not that he was better than the team, because he would have been the 3rd man instead of the 6th man, if that were true. But sometimes the team wasn't congealing on the court. All the talent wasn't gelling. So Jackson went in and he was a spark that changed that totality. There were specific ways in which he would do that. He was tall enough to add another rebounder, just fast enough to add another guard-like player. He couldn't shoot very well (not as well as any of the other five on the starting team). But he could do what he did with some consistency and make that totalistic change of the team for a short period. Then you'd get him the hell out of there and put the starting five back in. Then the starting five would build off of this new history.

Salit: That's fascinating.

Newman: Jackson does that as a coach, too. He watches the team play. He knows basketball inside and out. He's very perceptive. He knows his players. But most important, he knows his team. And he knows when they're off. So he puts in a new combination and sometimes that works and sometimes that doesn't. It works enough to have won 10 championships. That's impressive. He's a very, very good coach.

Who are other coaches I admire? Joe Torre had that quality with the Yankees. Who are others? The first manager or coach who did this thing of constantly figuring out how to get a new totality was, of course, Casey Stengel of the Yankees. He did it, literally, on almost an hourly basis and he called it the "platoon system." Now it's done all the time. Stengel succeeded in creating new totalities and the Yankees won five consecutive world championships. It's never been done in the history of baseball, before or since. Interestingly, hardly anybody ever talks about it. When the Yankee announcers or the sportscasters talk about the great Yankee teams, generally speaking, that's not one of them.

Salit: Isn't that amazing?

Newman: I think this is a common trait of great managers and coaches. You constantly look at what you have and say, “How do I reorganize this today so as to produce as much as we can.” This is something I’ve tried to learn and tried to practice as a political coach, of sorts.

Salit: And, I’ve seen you in action, Fred. Thanks.