

Opinion

Memo to the White House: sort out the mess in Pakistan

Anthony Loyd, page 38



The not-so-strange birth of liberal America

The US is no longer a conservative nation. The Democrats have won a powerful mandate to move the country leftwards

Anatole Kaletsky



It might appear obvious that Barack Obama's election, alongside the Democratic landslide in Congress, has offered the new Administration the clearest possible mandate to transform America's society. But conservative commentators are already hard at work to deny the existence of any such mandate.

Conservative pundits, drawing paradoxical comfort from the public's revulsion at the Bush Administration, argue that the Democratic victory was merely an inevitable, almost mechanical, swing of the political pendulum. After all, America's economy is collapsing, its military is stuck in two bloody quagmires, its government is run by an ignorant dolt, now universally recognised as a national embarrassment. Against this background, a big Democratic victory was only to be expected. The true surprise was that their victory was far less comprehensive than the landslides of 1964, 1972 and 1984.

If anything, these conservatives argue, the competitive nature of the race proved yet again that America, beneath the discontented surface, remains a conservative or at least a centre-right nation. Indeed the emollient-sounding phrase "centre-right nation" has suddenly become the mantra of Karl Rove and other zealots who used to describe

themselves proudly as "conservative revolutionaries".

But is this "centre-right" description justified? Not any longer when it comes to social mores. The election of the first black president — who happens to be a brilliant and unabashed intellectual with a left-wing record on the environment, healthcare, abortion and gun control — will surely transform social attitudes and redirect the bias of the Supreme Court. His victory inflicts a crushing defeat on the Nixon-Reagan coalition of xenophobic working-class social conservatives and tax-allergic small businessmen.

America's social make-up has changed since the late 1960s as the races have mixed and university education has become more widespread. The conservatism of the southern and western states has waned as they have become financial and research centres, and liberally educated knowledge workers have replaced manual workers as the country's dominant social class.

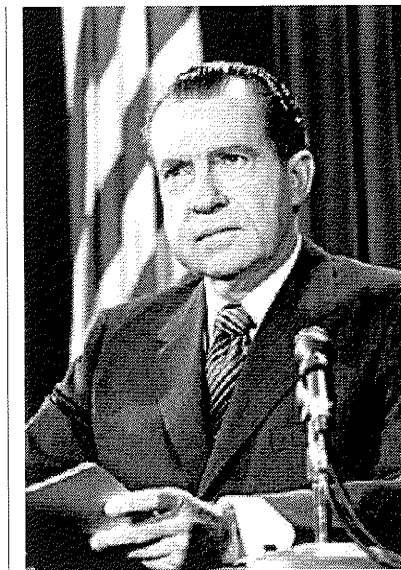
Mr Obama managed to administer a death-blow to the Nixon-Reagan coalition by adding a powerful new weapon to the steady demographic change — the participation of young and ethnic-minority voters who had felt disenfranchised. Their commitment, which I saw with my own eyes last week when I visited Pennsylvania, where my daughter, brought up as a girl in America, was working with military efficiency for seven days a week and 16 hours a day in a tireless army of highly-qualified volunteers. With this new generation of voters now fully engaged in US politics, the balance of power is likely to shift in the "culture wars".

America's attitude to the outside world and to military power may also be transformed by the rise of this cosmopolitan younger generation, born after the wrenching divisions of Vietnam. It is perhaps significant that Mr Obama was the first presidential candidate neither to have gone to Vietnam nor been forced to make excuses for avoiding service. It is far from clear that America under Mr Obama will remain a militaristic "centre-right nation".

What then is left of the "centre-right nation" epithet? America, almost everyone still believes, will remain a nation committed to the free market revolution and allergic to the "European-style socialism" of state intervention. The supposed evidence for this belief is, first, the moderate scale of the Democratic victory, and secondly the nature of the campaign itself, which focused more on the failures of the Bush Administration than on any detailed plans by Mr Obama for economic reform.

Unfortunately for free-market economics, with which I have much sympathy, neither of these claims stands up. Both the exit polls and the votes cast in the congressional elections suggest that the many Americans who hesitated to vote for Mr Obama did so because of his race, his personal background or his lack of foreign policy experience, not because of the leftward tilt in economic policy. If they wanted to respond directly to public opinion, Democrats would probably move further to the left after this election.

A second reason for regarding the election as a genuine mandate for economic change is even clearer. The decisive phase of the campaign was



Obama's victory has inflicted a crushing defeat on Nixon's legacy

dominated entirely by economics, specifically by a clear debate over taxes, income distribution and public spending — and Tuesday's vote was the verdict on this debate. Until mid-September, the two parties were roughly even. But after the incompetence of the Bush Administration triggered the bankruptcy of Lehman Brothers, Mr McCain's campaign was, to its evident discomfort, forced to concentrate on economic issues.

Mr McCain offered the same old Reaganite nostrums of cutting taxes and government waste — but these were preposterously irrelevant in the present financial crisis.

The sharp division between the two candidates' economic philosophies was personified by Mr

McCain's constant invocations of Joe the Plumber, the supposedly quintessential middle-American worker who objects as a matter of principle to redistributive taxes (Mr McCain relentlessly hammered Mr Obama's plan to raise taxes on incomes above \$250,000). It was symbolised rhetorically by Mr McCain's increasing use of the terms "socialist" in the last few days of the campaign and his bizarre efforts to turn the phrase "spread the wealth around" into a term of abuse.

Voters resoundingly rejected the Republicans' single-minded focus on low taxes and small government. Having elected Mr Obama, the American people will demand big economic changes. And given the urgency of the financial crisis, Mr Obama would do well to signal these changes within days, rather than waiting until he is inaugurated on January 20. With luck, he will quickly appoint a team of experienced officials who understand that free enterprise is perfectly compatible with regulation, a moderately redistributive tax system and a stronger safety net than Americans currently enjoy.

It is irrelevant whether the new policies are described as centre-right or centre-left. What matters is whether they work — first by stabilising the financial system and then by averting prolonged recession.

The most urgent task of all is to replace the Bush Administration's economic team, whose dogmatism and incompetence was largely responsible for the sudden financial crisis. If Mr Obama can do this, he has every chance of successfully carrying out his mandate to change America for the better.