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THE CONSERVATIVE PROGRAM FOR THE WELFARE-WARFARE STATE: THE RESPONSE TO THE KOREAN, ALGERIAN, AND VIETNAMESE WARS

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Introduction

Limited wars after World War II have produced a right rather than a left turn in the politics of the industrially advanced countries. During the Korean War, the Republican party articulated the popular discontent about the war and captured the Presidency in 1952. Perhaps it is no surprise that the Korean War, accompanied by McCarthyism and MacArthur's demands for escalation, should lead to eight years of Eisenhower conservatism. Vietnam, however, created a strong left wing mobilization against the war; it is less obvious why Nixon was elected immediately afterwards. De Gaulle, another conservative, followed the French involvement in Algeria, which produced protests from both left and extreme right that brought France to the brink of a military coup and civil war.

This paper explains why the leaders of conservative political parties were so successful in the aftermath of limited wars. Conservative parties are those parties whose constituency is large and small business, managers, upper income professionals, and some white collar workers and farmers, exemplified by the Republican Party in the United States, the Gaullist Party in France, the Christian Democrats in Germany and Italy, and the Conservative Party in England. Conservative political leaders rose to power because they addressed the problems intensified by limited wars—budget deficits, political stalemate, and inter-imperialist rivalries—and, to some extent, enacted short term solutions—budget cuts, leadership above politics, and increasing national power.

The first section of the paper describes how budget deficits grew in limited wars because of increases in military spending, heightened opposition to taxes, and, in the case of the Vietnam War, increasing social spending to keep domestic order. Conservatives appealed to the mounting popular concern with inflation and proposed budget cuts. Part two argues that limited war also worsened the problem of political stalemate, the inability of any group or coalition to mobilize sufficient popular support to implement a coherent program. During the Korean War, the conflict between the Democrats' limited war aims and the Republicans' victory strategy intensified the already bitter conflict between the new deal and anti-new deal coalitions. The Algerian War made the political stalemate of the Fourth French Republic a complete breakdown. The conservative response to political stalemate was the national hero—Generals Eisenhower and de Gaulle—who offered to govern the country without the deadlock of conflicting popular demands and ineffective politicians. Defeat in a limited war gave conservatives the opportunity to claim that they would increase national power. Eisenhower promised an affirmative policy of liberating the communist nations instead of merely trying to contain them, and
threatened massive retaliation at times and places that he would choose, rather than responding to communist initiatives. Nixon continued to use the rhetoric of increasing national power, but at the same time, sought to increase the U.S. standing in the world economy. After the Algerian War, de Gaulle also made French power a theme, through the rhetoric of grandeur, challenges to the U.S. position in the international monetary system, and increases in the French military budget.

The specific policies of budget cuts, leadership above politics, and national power reflect values which have been long associated with conservative politics. The conservative suspicion of state action and reform is reiterated in the program of budget cuts following limited wars; the conservative acceptance of inequality finds new life in the demands for reductions in government programs for the poor and disadvantaged. The calls for leadership above politics echo elitist suspicions about letting popular pressures determine government actions. National power, too, has been a long standing theme of conservatives. Despite the connections between the policies after limited wars and conservative traditions, it would be a mistake to portray the policies as the logical outcome of a consistent conservative theory. Conservatism has undergone dramatic changes throughout history. Most recently, as we shall see, the conservatives de Gaulle and Nixon vastly expanded the powers of the high levels of the executive branch of the national government, and used that power to accomplish major changes in policy. This "executive conservatism," is at odds with a major conservative tradition--the distrust of active government, and new policy departures, in favor of an equilibrium in government based on checks and balances.¹

The flexibility of conservative doctrine is nothing new. Throughout history, while conservative principles have remained, specific positions on broad issues such as industrialization, democracy, and the state have often completely reversed. The constituencies supporting conservative views have also dramatically changed.

In the early stages of industrial capitalism, the social base of conservatism was landed and commercial wealth, which was seeking to resist the demands of the newly emerging industrial capitalists, workers, farmers, and artisans for equality and participation in absolutist governments. The conservatives of this period, who can be termed "traditional conservatives," not only were skeptical of maintaining order by concessions to the mob; they also doubted the industrial capitalists' claim that markets would control the labor force and insure popular compliance the face of continuing inequality and privilege.² Traditional conservatism favored the maintenance of social order by strengthening forms of community that had stabilized feudal society: the church, the family, the military, the small village, and other groups where hierarchies were maintained by customary deference and obligation. Traditional conservatism survives in the recent work of Nisbet (1976).

By the end of the nineteenth century in the United States, a particular variant of conservatism arose as industrial capitalists became the major constituency articulating the conservative principles of preserving property, privilege, and tradition. Laissez faire, rather than feudal notions of community, became conser-
vatism's major theme. American conservatism borrowed the liberal tradition of markets, rationalism, and individualism. Conservatives also made use of democratic rhetoric, although they continued to bitterly resist all popular attempts at reform and participation. (Rossiter, 1962: 128-62) Thus, the inconsistencies and flexibility of the conservative doctrine have allowed it to survive through vastly different historical periods. After the Korean, Algerian and Vietnam wars, conservative policies not only managed merely to survive. Conservatism was highly relevant in the crisis situation of the limited war and provided short run solutions that prevented intensification of the crisis.

Our view that conservatives can effectively respond to crisis, generate a consensus among elite factions, and gain popular assent for the policies, is a needed supplement to the prevailing view among new left historians. These writers have stressed the ability of the "corporate liberals" to accomplish new policy departures. While conservatives see popular movements as a threat to stability and order and hence are unwilling to make any concessions to them, corporate liberals became involved in the issues raised by popular movements and are more tolerant of reforms. Despite the corporate liberals' rhetorical acceptance of the goals of popular reform movements, the actual aim of the corporate liberals, according to new left historians, is to stabilize the capitalist system. For example, Kolko (1953: 255-78) contends that the "Progressive" Era reforms such as regulation of corporations and the establishment of the Federal Trade Commission increased the growth of large firms at the expense of smaller ones. Corporate liberals in the National Civic Federation favored the recognition of moderate labor unions which would institutionalize class conflict without threatening the capitalist system. (Weinstein, 1968: 3-39) Bernstein (1967: 263-82) argues that the New Deal expansion of social spending prevented the intensification of popular discontent and provided business with expanded markets and a safeguard against deep recessions. Corporate liberal support helped blacks to reduce political and legal inequality. Thus, the civil rights movement was conciliated, and also, from the point of view of capital, the U.S. gained a more favorable image through the third world, where communist propaganda had effectively criticized the condition of U.S. blacks. Since new left historians see corporate liberalism as the long run interest of the capitalist class, conservatives, who opposed government regulation of corporations, the recognition of trade unions, and the welfare state, therefore also oppose capitalists' class interests, even though, ironically, the conservative position was the majority view of the business community at that time.

Although in the Progressive Era and the Great Depression, conservative opposition to reform was dysfunctional for capitalism, after limited wars, conservative remedies became more relevant. This interpretation differs from the "power shift" theory (Sale, 1973, 1975; Oglesby, 1973) which also attempts to explain the recent conservatism of politicians, government policies, intellectuals, and public opinion. According to the power shift theory, the owners and managers of the multinational corporations headquartered in the East continue to be corporate liberal. However, they are no longer dominant economically; they have been out-shined by the fast growing industries of the South and Southwest, which support conservative politics.
The sun belt's rising economic power is matched by rising political power of the conservatives. However, our analysis contends that the conservative revival does not result from a power shift from the eastern to the southern factions of the capitalist class. Multinational eastern business is still the dominant faction of the business community. On many issues, they are shifting from a corporate liberal to an executive conservative position because the interest of the capitalist class as a whole has shifted to the right.

Our methodology is to first consider the general outlines of the crisis of late capitalism: the fiscal crisis of the state, political stalemate, and shifting inter-imperialist rivalries. These three problems have been intensified by limited wars. Right wing politicians have taken the lead in identifying the problems, but have often presented a distorted analysis, calling for budget cuts, leadership above politics, and increasing national power. Despite the inaccuracies of their analysis, conservative politicians have succeeded in using these issues to win sweeping electoral victories near the end of each limited war.

Shifting attention from political campaigning, we next study how the Eisenhower, de Gaulle, and Nixon administrations dealt with the three problems. De Gaulle and Nixon, unlike Eisenhower, handled the problems by greatly strengthening the executive branch of the national government.

The specific details of conservative response will vary from nation to nation, depending on past history of the country, its place in the world economy, and its culture; no one case will exemplify all of the features of the conservative ideal type. Thus, the 1968 Nixon campaign placed relatively little emphasis on breaking a political stalemate. Reductions in government spending, the major campaign theme of the two Republicans, was not an important reason for de Gaulle's popularity. Nevertheless, in the long run, no administration could ignore the issues of budget cuts, stalemate, and national power.

In focusing on the conservative alternative to the crisis of late capitalism, we are not implicitly arguing that this alternative is in any way inevitable. Conservatism is not a long-run solution to the problems of capitalism. The fiscal crisis, political stalemate, and the destabilizing effect of inter-imperialist rivalries can be attacked through a wide variety of solutions, social democratic and fascist as well as conservative. The conclusion examines the potentialities and weaknesses of the other alternatives, and discusses the options available to the left.

We first consider how developments in late capitalism strengthened the conservative positions on budget cuts and leadership above politics. After briefly indicating some of the general causes of crisis in late capitalism, we will describe the intensification of crisis by limited wars and the response of conservative politicians.
Budget Cuts and Leadership Above Politics

O'Connor (1973a) has argued that the development of monopoly capitalism depends on growing state budgets, which has resulted in inflation and the fiscal crisis of the state. During the Korean and Vietnam Wars, high military spending and the demands of interest groups intensified the problems of inflation and fiscal crisis, which became successful campaign themes for both Eisenhower and Nixon.4

In the beginning of the Korean War, the fiscal crisis was latent. The initial popularity of the war produced an almost universal consensus for raising taxes; in the war's first year the federal budget had earned a 16.4 billion dollar surplus. However, military spending continued to soar, mainly propelled not by the fighting in Korea but by an ambitious program to rearm Western Europe and other U.S. allies against the Soviet Union. As the war entered its second stalemated year, popular opposition to taxes increased (Lo, 1976). Although compared to World War II, military spending in the Korean War was less, a higher percentage of it was paid through taxes instead of public sales of savings bonds. Tax rates approached World War II levels, and in the case of single individuals, were higher than in World War II.5 A reluctant Congress would approve only self expiring, rather than permanent tax increases. President Truman's proposed budget for fiscal 1953 showed a deficit of $10.4 billion.6 Pressures from labor unions, farmers, and business succeeded in weakening the government's wage, price, and credit controls, threatening a new round of inflation, which heightened the need for budget cuts.

During the Vietnam War as well, the concessions to interest groups combined with the costs of war to produce intense inflationary pressures. Black Americans insistently made new demands on the state; the possibility that the black movement would form an alliance with the anti-war movement was an added reason for concessions (O'Connor, 1973b). The expansion of government social spending in the 1960's benefited countless other interest groups as well. For example, urban renewal programs mainly gave benefits to non-black interest groups--building contractors, central city land owners, savings and loan associations, and state workers. High social and military spending produced budget deficits; opposition of conservatives to social spending and leftists to military spending led to opposition to taxes which worsened deficits and inflation (Lo, 1976).

One possible remedy for inflation was to reduce government spending. Sheer numbers, combined with conservative priorities, pointed to emphasizing cuts in military spending after the Korean War, and cuts in social spending after the Vietnam War. Social spending had risen more (and military spending had risen less) in the Vietnam War compared to the Korean War. During the Korean War (between fiscal year 1950 and 1953) social and economic spending rose by $1.2 billion (to $10.5 billion). (National Defense spending rose by $37.4 billion to $50.4 billion.) During the Vietnam War, (fiscal 1964 to 1968), social and economic spending rose by $14.7 billion (to $32.8 billion). (National defense spending rose by $26.6 billion to $80.4 billion.) (Department of Defense, 1972: 192.) Military spending could be cut after the Korean War because the war had successfully kept half of Korea in the
U.S. oriented bloc.

Cutting social spending was a winning issue for Nixon, as was cutting military and social spending for Eisenhower. Capitalizing on the backlash against black riots of the late 1960's, Nixon criticized the Democratic party's policy of social spending, counterposing his own law and order approach. Boyd (1971) compared the ability of different issues to account for Democratic party identifiers who did not vote for Humphrey in 1968. The second largest defections occurred among people feeling that riots should be met by "all available force to maintain law and order," instead of correcting "the problems of poverty and unemployment." 7

Edged on by Republican fiscal conservatives and neo-isolationists like Taft and Hoover, Eisenhower promised to reduce government spending to $60 billion by fiscal 1955, making possible tax reductions. 8 The most decisive issue in the 1952 campaign was Eisenhower's promise that ending the long and expensive Korean War would be the first priority of his administration.

The Republican Party was in a position to benefit from the issues of inflation and budget cuts because of their past campaigning. The debate over the continuation of the New Deal in the immediate postwar period identified the Republican party as the representative of popular discontent about high taxes, the mounting national debt, and the large size of government budgets. During the Korean War, the right, rather than the left, was able to make high military spending a campaign issue because of the previous Republican criticism of costly international commitments. Their stands against the Democratic policies of preparedness for World Wars I and II and excessive economic aid for Europe made the Republicans seem the group most likely to reduce government spending for foreign affairs and the military. 9

Another source of conservatism is political stalemate. A political stalemate is the inability of any group or coalition to mobilize sufficient popular support behind a program to deal with a particular problem of capitalism. The simplest form of political stalemate occurs when one political party proposes a solution to a problem, and that solution is blocked by other political parties or popular groups so that the state takes no action, or only ineffective action. This, we argue, was the situation of the first Nixon administration, where the strategy of domestic budget cuts was stalemated. Another version of political stalemate occurs when two parties propose different solutions to a particular problem of capitalism. Each political group has just enough strength to block the proposal of the other political group, but neither has enough power to successfully implement its own proposal. This second type of stalemate was exemplified by the politics of the Korean War, where the Republican option of air and sea war with China stalemated the Democratic option of continued, limited, land war in Korea and a negotiated settlement. The most extreme form of political stalemate is a deadlock on all major issues. Political parties fragment; no group is able to govern the country for more than a short period. The Fourth French Republic is the best example of such an extreme stalemate.

Political stalemate is most dangerous if it is combined with an economic or
international crisis which compels a certain response which the political system is unable to deliver. Then, political failings intensify crisis. This conjunction between political stalemate and crisis occurred in each limited war.

Political stalemate, while primarily a problem from the point of view of the capitalist class because it blocks needed policies, is also a problem for the population at large. The intensification of a crisis usually has detrimental consequences for the people (such as inflation or a prolongation of casualties in a war), which leads to popular resentment against politicians and the political system. The conservative solution to political stalemate is to seek solutions to problems without gaining consent from the political parties. One means of achieving this is the ascendency of a national hero, often a victorious general, who claims to stand above the existing deadlocked politicians. The classic cases of such heroes are Napoleon and Louis Bonaparte. Karl Marx (1869) analyzed the deadlock of the French political parties in the 1840's and argued that their inability to govern the country paved the way for the regime of Louis Bonaparte. Bonaparte took advantage of the paralysis of government to make demagogic claims that he would sweep the incompetent politicians aside, restore order to France, and embark on a series of foreign adventures.

The national hero solution is conservative because it involves subordinating the confusion of popular demands, interests, and competing political parties to a president who can deal with the problems of capitalism. Occasionally, the national heroes themselves explicitly argue the traditional elitist doctrine that the best government is one in which the rulers are autonomous from popular pressures, and are thus free to pursue the national interest instead of selfish group interests or the petty whims of politicians. At the same time, conservative writers sound the same theme, claiming that the ills of the society result from excessive popular demands on the government. In the United States, this view, once argued by Schumpeter (1930), is again being emphasized in the report of the Trilateral Commission (1975) and in the journal *The Public Interest* (1975).

All three limited wars intensified the already present tendencies toward political stalemates. De Gaulle, Eisenhower, and Nixon made political stalemate a theme in their campaigns, promising leadership above politics.

The Algerian War turned the stalemate of the Fourth French Republic into a complete paralysis. The socialists, the radicals, and the MRP, the moderate parties which had formed coalition governments during the Fourth Republic, were unable to make any moves toward solving the pressing Algerian problem. The army and the French settlers' political groups in Algeria would simply refuse to obey any measures leading to an independent Algeria. In the Algerian War, popular perceptions of stalemate stemmed not only from domestic French politics but also from the long, indecisive nature of the conflict.

De Gaulle was chosen president during the Algerian crisis because he seemed to offer an alternative to the political stalemate of the Fourth Republic. De Gaulle was a national hero, symbolic to many French of the resistance to Germany during
World War II. Voters hoped his widespread popularity would produce effective action. One of de Gaulle's favorite campaign tactics was to place two alternatives before the voters--either a continuation of his rule or total chaos, which no other individual or party could handle.

In the U.S. the underlying tendency toward political stalemate has been the breakup of the New Deal Coalition. According to Burnham (1970) and Lubell (1956), political stability in America depends upon a coalition, which is first formed in a "critical" or "realigning" election such as the election of 1932. The development of late capitalism has produced inflation and the fiscal crisis, which has weakened the New Deal Coalition. Limits to deficit spending and the expansion of state budgets meant that government benefits to any group in the coalition could only be made at the expense of other groups. For example, welfare programs could only be supported through taxation of the middle strata--the prosperous ethnic groups, the suburbanized working class, and white collar workers. These groups, once solidly affiliated with the Democrats, and still remembering the welcome relief that the New Deal provided in the thirties, now also had an interest in the anti-New Deal coalition, which promised to ease high taxes and inflation by reducing social spending. As a result, the middle strata erratically shifted their support between Democrats and Republicans. These shifts, combined with defections in the South and the Midwest, weakened the New Deal Coalition and produced a stalemate. The Presidency passed back and forth between the parties; often, opposing parties controlled the White House and Congress.¹⁰

The Korean War intensified and made more serious the deadlock between the two political parties. Each political party vetoed the alternative of the other party. The Democratic Party solution was to continue the ground war and negotiate a settlement. Republicans remembered the political points they had scored by criticizing the Yalta negotiations and the World War I peace settlement, and denounced the administration for making excessive concessions to the treacherous communist negotiators. According to the Republicans, the Democrats had not only failed to win a war; they were losing the peace as well. If Truman settled the Korean War on the same terms that Eisenhower eventually settled for, Republicans would have denounced it as treason. (Ellsberg, 1972; Waltz, 1967).

The alternative of the right-wing Republicans was General MacArthur's plan for a total military victory in Korea, by striking China with an invasion of Chiang Kai-shek's army, a naval blockade, and U.S. air power, including nuclear weapons. Although Truman administration spokesmen discredited most of Mac Arthur's proposals during the Congressional hearings of spring and summer, 1951, the intense partisan debate continued. Senator Jenner exclaimed, "this Government of ours [has been turned] into a military dictatorship, run by Communist-appeasing, Communist-protecting betrayer of America, Secretary of State Dean Acheson."¹¹ Extremist rhetoric led a horrified group of intellectuals to sound dire warnings about the danger of the "radical right" in America (Bell, 1964).

Through his nonpartisan appeal, Eisenhower seemed to offer voters a relief from
the partisan stalemate. Like de Gaulle, Eisenhower was a World War II hero standing above politics; some prominent Democrats sought to have Eisenhower as their party's nominee for president.12

In the 1972 campaign, Nixon also stressed that he was president of all the people, and was above politics. He gave the impression that he considered political campaigning to be a distraction from the affairs of state. Nixon's attempt at leadership above politics resulted from the need to reduce social spending. Nixon's budget-cuts during his first administration generated opposition from the Democratic Party, government bureaucracies, and special interest lobbies. Nixon had won the Republican nomination in 1968 by gaining delegates through patiently conciliating and bargaining with special interests. In 1972, however, in order to reduce domestic spending, Nixon needed a base of support that would not require pluralistic concessions. Nixon's re-election campaign was run outside the normal channels of the Republican Party. Nixon sought a sweeping electoral victory from a constituency, the silent majority, which would not make many political demands on his administration.

Nixon's actions, intended to overcome a political stalemate, actually increased it. The Watergate scandal and other revelations increased distrust of government and politicians, and weakened political parties, thus making them even less able to organize assent for policies needed by capitalism. Earlier in the seventies, voter distrust seemed to be a left wing issue. Many of the injustices about domestic intelligence were first exposed by the radical left; the hostility against Nixon's law and order advisors, and the stress of civil liberties in the Watergate investigation seemed to point to an increased influence of the left. However, distrust of government is also feeding the conservative sentiment for budget cuts in social services as well as the leftist critique of American foreign policy and the military.

National Power

All political ideologies have called for national power, but to different degrees. The most vehement proponents were once conservatives; the lead shifted to the corporate liberals by World War I but now is reverting back to the conservatives. Around the turn of the century, conservatives were the leading advocates of overseas economic expansion and military power (Williams, 1962, 1969). Free market ideology led conservatives to call for enlarging that market throughout the world; military spending was small enough so that a hefty increase would not offend laissez-faire sensibilities. But as gunboat diplomacy against minor powers was replaced by total warfare among all the industrially advanced powers, the laissez-faire conservatives in the U.S. became less enthusiastic about high military spending and government control over the economy that imperialism required. Industrial capitalists, who had generally supported the Spanish American War and Open Door diplomacy, were reluctant to rally behind the preparedness campaign before World War II, because of their investments in Germany and their dislike of state regulation, especially since it was led by President Roosevelt (Kolko, 1962; Bernstein, 1966). Before the Korean War, mainstream business sentiment called for reductions
in the Marshall Plan and strict limits to the rise in military spending (Lo, 1975b).

In the United States, the primary support for the overseas expansion of U.S. economic and military power came from the corporate liberals. Roosevelt, Truman, Kennedy and Johnson pushed for corporate liberal reform at home and forged a centralized state to further U.S. interests abroad.

Beginning with the Nixon Administration, however, conservatives began to abandon their hardened stand against all state intervention and supported an active state in foreign affairs. This change in conservative ideology resulted from the underlying shifts in great power alignments, which were further disrupted by limited wars.

During the Korean War, the change in the world balance of power stemmed from the rising strength of the Soviet Union, China, and the left. Western Europe, the major barrier to Soviet influence before World War II, had been destroyed by the war. In addition, United States power had been undermined by the rise of communist governments in China, North Korea, and Eastern Europe, which made neutralism a more attractive alternative to a military and economic alliance with the United States. Although the Truman Administration spent huge amounts for a military buildup and foreign aid, still, communist governments came to power.

The Korean War not only became the symbol of foreign policy frustrations; it also contributed to the weakening of U.S. power. Western Europe and the non-aligned nations of Asia were critical of U.S. policy in Korea because of the excessive drain on resources and the U.S. neglect of other problems; U.S. allies feared irresponsible military actions. Hence, each year of the Korean War brought further tensions in the system of U.S. centered alliances.

The conservatives Eisenhower and Dulles responded to the challenges to the U.S. position by promising to reassert American power through a new policy of "liberating" communist dominated Eastern Europe and China. The Truman Administration's policy of containment, or restricting further Soviet gains, they claimed was "defeatist" and "negative." However, the policies of the Eisenhower Administration were more negative and defensive than Truman's, mainly because of Eisenhower's other campaign promise in 1952—to reduce government spending. Eisenhower reduced national defense spending from $47.7 billion in fiscal 1953 to $38.4 billion in fiscal 1956 (Department of Defense, 1972: 192).

As the communist challenge to U.S. power persisted, conservatives continued to call for increased national power, but unlike Eisenhower, made tentative moves toward supporting higher military spending. In 1968 Nixon continued the political rhetoric about increasing national power, criticized the Democrats for squandering the American advantages in the Vietnam War, and claimed that the seizure of the Pueblo by a "third rate military power" showed that U.S. power needed to be restored by the Republicans. In the 1972 campaign, Nixon appeared to increase U.S. power by creating the symbolic issue of safely returning the prisoners held by North Vietnam, and then securing their release through bombing North Vietnam. In the 1972 elections, Nixon defended high military spending from the attacks of George McGovern. The
policies of President Ford complete the transition of conservatism into a position that supports high military spending and remains opposed to state intervention to regulate business, clean the environment, or increase social welfare. Ford proposed a $101 billion military budget for fiscal 1977 and planned to increase real expenditures by 4% a year, reaching a level of $141 billion in fiscal 1981.13

Defending high military spending is easier for conservatives now that it involves not the ambitious expansion of U.S. commitments, but rather a maintenance of international privileges (such as low raw material prices and the use of the dollar as the standard reserve currency) which have already proven to be a boom for capital. Defending high defense spending also fits into the conservative principle of resisting popular demands, since the left of the Democratic Party, and a plurality of the nation supports lower military budgets. According to the Gallup Poll, the percentage of people thinking that the U.S. was spending too much for defense varied from 49% (31% favoring the same level, March 1971), slipped to 37% (40% favoring the same, August, 1972), and rose to 46% (30% favoring the same, September, 1973).

Thus, conservatives reacted to the communist challenge by making inflated patriotic demands to increase national power, and in addition, began to support the substance of national power—high military spending. Another major change in the world balance of power was the decline of the economic power of the United States compared to Western Europe, exemplified by the decreasing competitiveness of U.S. industries and an increase in the U.S. balance of payments deficit. Later, we will discuss the U.S. response to this shift. Although American conservative politicians did not try to make this decline into a campaign theme, de Gaulle made it a winning political issue in France.

The same factors which necessitated a reassertion of U.S. power—a deadlock between the Soviet Union and the United States and the U.S. balance of payments deficit—gave France an opportunity to better her international standing. The nuclear balance of terror between the U.S. and the U.S.S.R. and the stabilization of relations between East and West Europe meant that France could rely less on the United States for her military defense and could instead play an independent role in world affairs.

The increasing U.S. balance of payments deficit gave France the opportunity to press for changes in the international monetary system which would strengthen France and attack the privileged position of the U.S. Most countries had to devalue their currency and induce recession if they ran a balance of payments deficit. However, the U.S. deficit was tolerated because it supplied a flow of dollars abroad, needed for international exchanges and reserves. De Gaulle criticized the U.S. deficit, not only because the exception from induced recession gave the U.S. an unfair advantage, but also because it caused inflation in Europe. France in the 1960's sought to force the U.S. to end its deficit and to change the international reserve currency from the dollar to either gold or a Composite Reserve Unit which would be based in gold.14
The war in Algeria gave de Gaulle added reason to raise the issue of national power. The Algerian War was the last in a series of long and violent struggles for independence by France's colonies in Asia and Africa. Since France had to play a less active role in the third world, the French military needed a new task in Europe; otherwise, discontent in the Army would continue to lead to army interference in French domestic politics.

De Gaulle made the restoration of French power a major theme in his political campaigns. He enhanced his popularity through his resistance of American hegemony in NATO and in the international monetary system, his veto of the English application to the Common Market, his boycott of Common Market political activities in 1965-66, and other actions taken in the spirit of grandeur and independence. But in addition to inflated rhetoric and symbolic political stands, de Gaulle embarked on a major buildup of the French military. At first attempting to increase French power in the structure of NATO, de Gaulle then withdrew from the organization when it became clear that his proposals would be blocked by the United States. De Gaulle announced an ambitious plan for making France an independent military power, which called first for the development of atomic weapons and strategic bombers, and then the hydrogen bomb and missiles.

Thus, amid the common conservative cry of increasing national power, Nixon, Ford, and de Gaulle have been abandoning the laissez-faire conservative suspicion about high military spending. National power stems not only from a military might and diplomatic tenacity, but also from economic strength—rapid technological advance, high productivity of industry, price stability, and balance of payment surpluses. The dedicated pursuit of the conservative goals of increasing national economic power has led some conservatives to a drastic abandonment of laissez-faire in favor of centralized executive power—the forte of yesterday's corporate liberals.

**Executive Conservatism**

In late capitalism, conservatives have been usually favored a very weak form of centralization—effective administration within a government bureau. For example, the Hoover Commission Report and other conservative proposals to reform the U.S. military establishment stressed using standard business practices, increasing financial accountability to a central authority, coordinating procurement, eliminating duplication, and lowering administrative overhead. Conservatives favor these proposals as a means of reducing government spending (Hammond, 1961: 242, 312). This weak form of centralization differs greatly from executive conservatism, which seeks to impose a centrally planned, comprehensive policy on a number of different government jurisdictions including executive bureaus and the legislature.

De Gaulle and Nixon, unlike Eisenhower, were executive conservatives. The Constitution of the Fifth Republic, largely of Gaullist inspiration, increased the powers of the President and the Prime Minister, particularly over the state budget. Nixon also increased presidential power, through the erosion of the war-making and budget-making powers of Congress, through the creation of the Domestic Council to parallel the National Security Council, and by using hatchet men and personal ad-
visors to control federal agencies (San Francisco Kapitalistate Group, 1975). Eisenhower, on the other hand, was not particularly interested in centralizing power. The differences in centralizing can be traced to variations in two factors which produced conservative politics—budget cuts and national power.

We first consider how differences in the need to restore national power can explain differences in the Eisenhower and Nixon Administrations. By the time of the Vietnam War, the U.S. position in the world had greatly deteriorated from the Korean War period; a whole series of measures were needed to restore hegemony, which necessitated executive centralization in the Nixon Administration.

During the Korean War, the economic position of the U.S. was quite favorable compared to its competitors, communist or capitalist. Eisenhower merely had a negative task—ending the Korean War and high military budgets, which, if continued, threatened to produce many of the same economic dislocations of the Vietnam War. Between fiscal years 1950 and 1953, the U.S. spent around fifteen percent of gross national product on the military, which included not only the costs of the Korean War but also a world-wide rearmament program. But, beginning in 1952, policymakers saw that many of the goals of the rearmament program could be postponed without adversely affecting the world balance of power. And, once a certain level of military strength had been achieved, it took less resources to maintain and modernize the forces. Eisenhower's task was relatively uncomplicated; it was merely to cut back military spending, thus allowing the consumer goods boom to continue. Since the cut was accomplished through existing presidential powers, no executive centralization was needed.

After Korea, the international economic position of the United States steadily deteriorated. Although reducing the U.S. effort in Vietnam helped to lessen the deficit, further measures were needed to restore United States hegemony. The Nixon Administration devalued the dollar, temporarily taxed imports, instituted wage and price controls, subsidized investments, launched a campaign to increase exports, and sought to increase East-West trade. Politically, the defeat of the United States in Southeast Asia led to the policy of trying to maintain U.S. power in the third world by using U.S. food supplies as a bargaining weapon and allowing relatively stable, developed, and pro-American regimes such as Brazil and Taiwan to play a more active military and economic role in the third world. Thus, the task of restoring U.S. hegemony in the post-Vietnam period required a planned series of economic policies, delicate negotiations with the Soviet Union, China, and the other Western powers, and quick reactions to meet international crises. The accomplishment and coordination of these policies required the growth of executive power. In addition, many of the policies needed to restore hegemony involved increasing costs to workers and consumers. Reducing the cost of U.S. exports involved wage restraints; exports of grains to reduce the U.S. balance of payment deficit increased food prices. The accomplishment of these policies required a strengthening of executive power to prevent interference from domestic political pressures.

In the de Gaulle regime, increasing national power, specifically, raising the
military budget at the expense of consumption and social services, led to the growth of executive power. Meanwhile, higher demands for social services, particularly education and social security, actually produced a decline in the percentage of the state budget devoted to military spending in the Fourth Republic.  

De Gaulle used the Fifth Republic's new budget-making powers to resist increased social spending and to insure that the resources would be optimally used within the military. The Constitution of the Fifth Republic reduced the power of the Parliament over budgets. Amendments to the budget could only be made by the Finance Committee rather than from the floor of the Parliament. The finance minister could refuse to allow votes on separate clauses of the budget bill; Parliament was given at a time deadline to decide on the budget. A five-year plan for military spending reduced the ability of Parliament to interfere with the expenditures for any specific year.

The final reason for the development of executive power in the aftermath of the Vietnamese and Algerian Wars, but not the Korean War, is the seriousness of the threats to the political order. Extremist political groups during the Vietnamese and Algerian Wars challenged basic premises of foreign and domestic policy and rejected established channels of influence in favor of violent or otherwise illegal means of protest. Government repression necessitated the growth of centralized executive power.

During the Vietnamese War, fairly large sectors of the anti-war movement and the black movement were willing to resort to non-established channels of protest such as mass demonstrations, and illegal actions such as sit-ins. A small but prominent tendency in the movement disobeyed draft laws, resorted to violence, and questioned the basic premises of U.S. foreign policy—anti-communism, and dependent relations between third world nations and the United States. The Algerian War produced threats from both the extreme right and the extreme left. The extreme right, favoring a continuation of a French Algeria, refused to cooperate with plans for independence, instigated several insurrections of the army in Algeria which threatened to spread to France, eventually resorted to a campaign of bombings and assassinations. The communist party and other left groups critiqued France’s colonial policy and sponsored many demonstrations. A group of prominent communist-leaning intellectuals signed the "Manifesto of the 121" encouraging soldiers to refuse to serve in Algeria.

The challenge from the extreme left and the extreme right was met by executive power, applied directly to the dissidents and more generally to a new foreign policy. De Gaulle sought out and jailed dissenters from both extremes; he used executive power to reorganize the army, giving honorific but powerless positions to his political enemies.

There were also discrete but comprehensive purgings and postings in the armed forces—so comprehensive, indeed, that it was said that to know what was going on, one ought to follow the postings of generals rather than the maneuvers of the parliamentary groups.
"They no longer say 'so and so is going to abstain,'" but 'Trinquier has been sent south.'"

Many American social scientists have claimed that McCarthyism and other right-wing tendencies during the Korean War were extremist movements, challenging the basic policies of the Eastern elites and relying on new patterns of mobilization and new channels of influence. Although the rhetoric of the right wing was extreme, the right posed a far lesser threat to the political order than either left or right in Vietnam or Algeria. MacArthur did disobey commands from Washington. However, the problem of civilian control of the army was never as severe as in the Algerian War, and ceased to be a serious problem after MacArthur was replaced.

Practically all of the right-wing discontent about the Korean War and Truman's economic policies was channeled through existing legal forms of political action—lobbying of interest groups, the 1952 campaign of Taft and Eisenhower for the Presidency, and Congressional actions to halt further tax increases and investigate the dismissal of General MacArthur. In fact, as Michael Rogin (1967) points out, the strength of the right did not derive from its ability to form new channels of protest but rather from its connections to established centers of power. The left, silenced by McCarthyism, was unable to critique U.S. policy; the right, while opposing Truman's specific policies, still agreed with the necessity of military confrontation of the U.S.S.R., China, and the left.

Thus, the need to reassert national power, austerity, and threats from the extreme right and the extreme left, produce executive centralization. But the need for budget cuts that makes executive power necessary tends to limit it at the same time. Limits on government spending prevent concessions to interest groups and bureaucracies which are necessary compensations for the loss of their power to the president. Centralization of executive power has usually been accompanied by an increase in government spending. In the United States, higher spending and presidential power characterized the New Deal, World Wars I and II, and the Truman and Kennedy-Johnson Administrations. During the Vietnam War, presidential control over bombing targets and the general conduct of war could only be obtained if the military services were promised expanding budgets in return (Schurmann, 1974: 180-1).

There are few examples of executive centralization in a period of budgetary restraint rather than budget expansion, the usual case. After World War II, plans for the unification of the United States Army, Navy, and Air Force under a single Department of Defense were justified to the public as a means of reducing duplication and hence lowering military spending. But intense bureaucratic conflict between the services over budget shares and strategic programs limited their willingness to cooperate in unification schemes. Nixon also attempted to increase executive power over domestic policy while at the same time restraining the increase of government social spending. The opposition to both these policies, particularly among liberal Democrats, found an outlet during the Watergate scandal.
Conclusion: The Fascist and Social Democratic Alternatives

We have seen how conservatives attempt to formulate plausible programs to deal with the three major problems of late capitalism. Seeking popular acclaim without conceding to public demands, conservatives reiterate some of their traditional solutions—cutting social spending and providing leadership above politics. But the problem of dealing with inter-imperialist rivalries has led conservatives to abandon strict laissez-faire and call for higher military spending and executive centralization to increase national power.

Although conservatives have gained popular favor by identifying and seeking to remedy the problems of late capitalism, the conservative program is nothing more than a short term remedy to the fiscal crisis, political stalemate, and inter-imperialist rivalry. Budget cuts are at best a temporary solution to fiscal crisis, since there are limits to how much the budget can be cut. As O'Connor (1973a) points out, much government spending is essential for the expansion of capitalism. The state budget subsidizes the cost of capital and the consumption of the working class, thus lowering costs for business. "Social expenses" are necessary to contain dissent. In addition, specific capitalist interests oppose budget cuts in expenditures that benefit themselves.

The conservative call for leadership above politics is also a fictitious solution. As the case of Richard Nixon shows, the campaign rhetoric of the national interest often hides corruption, the use of the state for partisan advantage, and deals with special interest groups. Leadership above politics assumes that there is a consensus for a national goal. We have seen however, that the conservatives do not represent the interest of society but support the interest of capitalism (Kolko, 1968: 64-98; San Francisco Kapitalistate Group, 1974).

The conservative rhetoric about national power is the most specious of all. The Gaullist and Eisenhower-Dulles promises to increases national power were wildly exaggerated. Eisenhower and Dulles pledged to increase national power not through material means but by acting "tougher" with the communists. But actually, the declining position of the U.S. resulted not from the softness of the previous administration but from long term changes. Standing up to the communists cannot increase national power. Only increases in military spending, improving productivity, and controlling inflation might have a real impact, but an uncertain impact at best, depending on the reactions of other states. But each of these actions requires sacrifices by the working class: high taxes, cuts in the non-military budget, lower wages. The conservative alternative would have a much lower popularity among the working class if it were made clear who would pay for the conservative's chauvinism.

Although conservatism has developed short term responses to crises, it has never found a method of establishing a more permanent social order in times of crisis. Conservatism claims that order results from the natural processes of society—the hierarchial communities of aristocratic conservatism, and the self-regulating market of laissez-faire conservatism. Conservatism works best in a period of social stability, when the social order needs not reconstruction, but only praise.
However conservatism is most needed in a period of popular challenge against the state. But its program for social stability—community and market—is bankrupt because both have been undermined by the capitalist development that conservatism supports as well. Conservatism's only program for order is the resistance to popular demands, which has incited revolution as often as it has created submission (Kissinger, 1954).

Political ideologies other than conservatism have also attempted to develop programs relevant to the problems of late capitalism. The same factors which produce conservatism—stalemate, and national power—when intensified, can also produce fascism. Restoring Germany to a position of world power after the defeat of World War I was a major theme in Nazi propaganda. Karl Polanyi (1957) traces the rise of fascism to the political stalemate between labor and capital, and to the restrictions on popular opposition that accompanied austerity programs to defend the gold standard in the 1920's.

Fascism, however, differs from conservatism because it is the active mobilization for the creation of a new order, whereas conservatism is the passive support for the maintenance of the existing order. Thus, while fascism required a high level of popular commitment to new policies, the politicization behind Eisenhower, Nixon, and de Gaulle was obviously less intense. Nixon's political base was an otherwise inactive constituency—the silent majority. Those who voted for Eisenhower were in no mood for a new order—the 1950's were to be an era of normalcy and consumption.

Another alternative to conservatism is social-democracy, which is based in the working class and seeks the improvement of popular conditions in a way compatible with the continuation of capitalism. The non-communist leadership of the U.S. and European labor movements and the U.S. civil rights movement were social democratic. One possible response of social democracy to the crisis of limited war is a mimicry of the conservative stands of budget cuts, leadership above politics, and national power. Examples abound of social democrats following the lead of the conservatives in the name of the national interest. The social democratic parties of Europe supported budget cuts and austerity to defend the gold standard and voted war credits on the eve of World War I. Presently, the English Labour Party is trimming the welfare state that it struggled for decades to create (Guttman, 1976); the stands of other social-democratic political parties throughout the world become less distinguishable from the conservatives. Just as Democrats and Republicans in the 1950's competed over which party was more anti-communist, politicians today compete over who can more effectively lower social spending. In this competition over means, social democrats have an advantage because they are more likely than conservatives to obtain the support of the labor movement and other popular groups. However, since social democrats are more subject to popular pressures, they will be less able to make the large cuts that capitalism might require in the future.

The second major reaction of social democrats is to continue to call for the time-honored program of expanding government social spending and job creation. This strategy, however, commits a major sin of omission. By failing to advocate
adequate government controls over business such as effective price controls, allocation of investment, and regulation of multinational corporations, the strategy causes some sections of the working class to pay for the benefits of other sections (Andersen, 1976). In the current economic crisis, social welfare without government controls merely produces inflation, slow investment, and high taxes for the working class. Conservatives will continue to stress these problems and will blame them on the social-democrats' policies, resulting in less popular support for the original goals of social spending and full employment.

Thus, the first alternative is to abandon social-democratic goals; the second rests on the false belief that the goals can be achieved without controlling corporate power. The third alternative is to recognize that in a period of capitalist crisis and decline, popular demands and capitalism are becoming increasingly incompatible, and that the fulfillment of popular demands requires the abandonment of capitalism.

FOOTNOTES:

2. Polanyi, 1957, reminds us that the conservatives rightly saw that it was a utopian experiment to trust self regulating markets to produce social order. For a similar argument that capitalists are unable to provide social, political, and ideological order see Schumpeter, 1950: 121-163.

3. According to the typology developed here, Kolko's The Triumph of Conservatism actually describes the triumph of corporate liberalism.

4. We differ from O'Connor's (1973a) view that the "social industrial complex", an ambitious program of government spending to employ the surplus population and make monopoly capital more productive, is a viable solution to the fiscal crisis of the state. O'Connor and Offe point out that it is difficult to organize state activity to make capital more productive, because there are no clear criteria in the state sector which would be equivalent to the profitability criteria in the private sector. Thus, it is likely that the expansion of social spending would be a further drain on revenues instead of increasing them in the long run.


6. For a concerned corporate liberal response, see Committee for Economic Development, 1952. The actual deficit was $6.5 billion.

7. During Nixon's presidency, between fiscal years 1968 and 1974, non-military spending as a percent of GNP rose slower than during the Johnson administr-

8. Patterson, 1972: 574.


12. During the 1952 campaign, Eisenhower criticized both the Democrats' limited war policy and the demands of right wing Republicans for escalation of the Korean War. However, once in office, Eisenhower adopted some of the policies suggested by the right wing Republicans. Eisenhower announced that the U.S. Seventh Fleet would no longer prevent Chiang kai-shek from invading mainland China. Eisenhower threatened new forms of retaliation if the peace was not satisfactorily negotiated. Caridi, 1968.


14. See Block, 1975 for an extended discussion of the international political issues involved in managing the U.S. deficit.


20. The general use of executive power to accomplish a new foreign policy helped to solve the problem of order in France. The French Communist Party approved de Gaulle's policy of detente with the Soviet Union and his opposition to European political integration, NATO, and U.S. economic hegemony. The PCF was thus unwilling to actively work to form a coalition to replace de Gaulle.

21. In the struggle against communism, Dulles and Eisenhower stressed the use of moral weapons, the most tangible of which was propaganda. In a strange twist of cold war logic, reliance on material weapons such as military spending and foreign aid was denounced as succumbing to a materialist theory of human behavior characteristic of the communists.
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