

The New Millerites

The explanation offered by the right wing (i.e. the corporatists) for the 2008 financial collapse was a tour de force of Reality-denial. Mass Reality-denial (not to mention collective mendacity) has never occurred on such a public scale. There is none so blind as they who will not see.

The metaphor of the arsonists blaming the fire department for the fire has already been offered. Analogies are useful, but perhaps it is in order to note what hidebound neoliberal ideologues are LITERALLY saying. We find that contrasting the claims put forth by the right-wing Machine against Reality creates a striking juxtaposition that's impossible to not notice.

The Reality, of course, is that highly concentrated private power (unchecked by State oversight, driven by the hubris—and avarice—of a few plutocrats, enabled by the mendacity of corporatists and the credulity of large swaths of the electorate) caused the problems that led to the economic catastrophe. The complicity of the kleptocrats (read: corporatists) within the government couldn't be more flagrant. Their culpability lay primarily in the State wantonly defaulting on its duty to ensure robust ROTA (regulation, oversight, transparency, and accountability) in the private sector. The problem, that is, was quite straight-forward: LACK OF ROTA.

One must wonder: What's so difficult to understand about this obvious explanation? The answer is: Nothing...assuming one has the appropriate conceptual tools at one's disposal, and one is decently informed of the facts. Unfortunately, such conditions are often subverted by the right-wing, propaganda machine.

Comically, if not perversely, the right wing explains the situation by simply blaming "Big Government"—a big, bad government that simply wouldn't get out of the way of private power. According to this bizarre-yet-enticing narrative, the problem was simply: TOO MUCH ROTA. Such an explanation is laughable to anyone with even a rudimentary understanding of what has transpired in the last 3 decades...and especially in the last 3 years. So why have millions of people swallowed such a ridiculous explanation—indeed, swallowed it hook, line and sinker?

That the G.O.P. is essentially a wholly-owned subsidiary of corporate power is no secret. For the last 3 decades, Neoliberal ideologues within the government have rendered the State an annex of Big Business. They have the audacity to see HCP (in

the form of PRIVATE power) create this a disaster...and then blame abuse of STATE power for the disaster. This is perfectly predicable given the m.o. of the Neoliberal ideologues (read: corporatists). Such a fraudulent depiction of things should come as no surprise—no matter how ridiculous the contentions may be.

Via this rhetorical maneuver, what REALLY happened...

A: The nonfeasance of the State enabling the malfeasance of the financial investment industry

...is passed off as...

B: Some malfeasance of the State—government bureaucrats harming the private sector by meddling with an otherwise pristine free market.

In other words, the banks, the hedge fund managers, the private equity titans, the financiers, the rentiers, the speculators, and the corporate executives were the VICTIMS, not the culprits. They weren't given ENOUGH freedom to do as they wished, we're now being told. Getting in their way is what lead to the big mess we're now in. That is: the plutocrats were the victims...and the State was the real villain. Corporate power, we're expected to believe, wasn't allowed to operate with ENOUGH leeway...and so the solution is to now give it MORE leeway.

In other words, an over-reaching State, not a negligent State, accounts for what transpired. So goes the Neoliberal narrative—a narrative so preposterous, only someone who is utterly oblivious (and stupendously credulous) could possibly buy it. "Shame on the government for screwing things up for the noble operators of Wall Street!" The moral, we're expected to believe, is to get out of the way of HCP in the form of private power. This makes perfect sense when A is passed off as B.

To depict negligence as over-reach is absurd—yet has been compelling to the population's most ignorant and gullible segment. Indeed, the un-informed and easily-duped have been persuaded that A (the dereliction of the State in playing its role) translates to B (the State INTERVENING TOO MUCH in the private sector). By seeing the problem as B instead of A, the solution seems to be LESS ROTA instead of MORE ROTA. Presto: The promotion of the right-wing agenda as the SOLUTION to the problem that the right-wing agenda CAUSED. It's like being told to smoke MORE cigarettes to get rid of the lung cancer caused by cigarette smoke...and taking the advice.

Part of this absurd right-wing narrative involves blaming Fannie Mae and Freddie Mac—which are depicted as arms of the State, and thus icons of government intervention in the free market. The problem with this depiction is that it's BACKWARDS. The problem was the Fannie Mae and Freddie Mac were largely PRIVATIZED—thus creating dubious motives and conflicts of interest. Instead of being arms of the State aiming to help people, they become for-profit ventures, based on speculation, aiming to get as many people as possible involved in a racket...a racket from which a few insiders would benefit. It was PRIVATIZATION, not socialization, that accounted for the dysfunctional role Fannie Mae and Freddie Mac played leading up to the economic crisis.

By calling black “white” and calling white “black”, the Neoliberal narrative is able to dupe people into believing that the victims were the culprits and the culprits were the victims. This is sophistry at its most venal. The CEO of AIG makes \$600 million dollars, the executives at Goldman Sachs make obscene piles of cash—the spoils garnered from all off the their disastrous malfeasance...and THEY are portrayed as the victims. They are the victims who—if only they hadn't been so burdened by State intervention—may have been more “free” to have NOT caused the gigantic mess.

In reality, they profited MASSIVELY off of the shenanigans that screwed over the entire American population. Yet we're expected to see THEM as the injured party... and to do EVEN MORE to help them...even if it means depriving the general populace of social services and basic public infrastructure. Why? “If we let the super-rich accumulate more and more wealth, then the rank and file will benefit! See the super-rich as ‘job creators’...and acquiesce to their demands.”

The logic involved here is surreal. The result is an orgy of subreption.

“Completely doctor the truth in order to do OUR bidding,” Wall Street says to their loyal lap-dogs on Capitol Hill (and in the White House...and on the Supreme Court). And so the corporatists serve their paymasters, adamantly refusing to acknowledge that de-regulation was the primary cause of the current catastrophe. Right-wing propaganda convinces millions of credulous people that this all makes perfect sense...and the corporate agenda is allowed to persevere even after the havoc it has wreaked.

It couldn't be more obvious that the G.O.P. is a wholly-owned subsidiary of Wall Street. Republicans don't even try to hide this fact; it's completely out in the open for all to see. “We work for Wall Street. We will do anything and everything to promote

corporate / banking interests...AT ALL COSTS...NO MATTER WHAT.We work for Wall Street...REGARDLESS OF HOW MUCH DAMAGE IT'S DOING.We work for Wall Street, and will do NOTHING to help the rank and file.We do the bidding of the corporate lobby...and will therefore completely ignore the complicity of corporate power in the current economic mess.We are here to serve plutocrats, not the general populace.Period.We work for Wall Street.End of story."

Republican politicians demonstrate this with everything they do.The difference between Republican and Democrats is quite simple in this respect: The corporatist caucus of the Democrats is apologetic and more subtle about its corporatism...while the unified Republican Party, one and all, is unabashed and flagrant with its corporatism.How, then, could anyone other than the greediest of the super-rich support the RP?There is only one explanation: ignorance.

Why is this the conclusion?It would seem almost impossible for the Republican Party to be any more flagrantly adversarial to the public interest than they currently are.It requires a staggering feat of obliviousness to fail to see this.

NEOLIBERALISM AS A MILLERITE FAITH:

The true transformation of Neoliberal ideology into a Millerite-like cult was the collapse of LTCM (the hedge fund, Long Term Capital Management).Neoliberalism had already undergone the metamorphosis into a full-fledged cult between Reagan's inauguration and the 90's bubble.The real income of the rank and file (since the mid-70's through the housing bubble of the 00's) was utterly stagnant during the explosion of the upper-class during the same period.As if THIS wasn't enough to disprove trickle-down economics, the LTCM implosion of 1998 was the pivotal moment when pathological denial of Reality set it for the most ardent Neoliberal ideologues.

In that episode of '98, the unregulated OTC derivatives market (a speculation industry with no oversight, no transparency, and no accountability) had proven to be a house of cards...contrary to the adamant insistence of the Neoliberal overlords: Rubin, Greenspan, Summers, et. al.The anti-Neoliberals could only say: "I told you so."However, astonishingly, the outright failure of Neoliberalism was overlooked...or even outright denied.The early Millerites were born.

Almost exactly ten years after the LTCM “incident”, the second major collapse occurred...FOR THE SAME REASONS.The warnings of the anti-Neoliberals had, once again, proven correct.Yet, even now, Neoliberal ideologues persist.(These are people who make the actual Millerites seem well-grounded by comparison.)

Greenspan was one of the only Neoliberal ideologues who publicly, openly, candidly admitted that the sanctified worldview he’d embraced for decades had been wrong.Summers and Geithner are still in the thrall of corporatism...though seem marginally repentant.Others, however, are utterly unrepentant...and thus utterly delusional.We can attribute much of this obstinacy to ego, and some of it to morally dubious motives (i.e. MONEY).

The most flagrant of these Millerites are mostly found in the ranks of the G.O.P. and in right-wing think-tanks like the Heritage Foundation, the AEI, the Club For Growth, etc.The banking lobbies and the Chamber of Commerce seem to be more corrupt than delusional: they know EXACTLY what they are doing, but would never admit it publicly.Either way, Neoliberalism dupes some...while being used by others to benefit themselves.

Whether the explanation is delusion or corruption, Neoliberalism has become an analogue of the Millerite religion.

The Obstinacy of the Dogma-Mongers:

Organizations like The Hamilton Project, the Federalist Society, Americans for Prosperity, The Chamber of Commerce, The American Enterprise Institute, The Heritage Foundation, Americans For Tax Reform, The Business Roundtable, and The Club For Growth are not only corporate-sponsored lobbies / think-tanks, but radical right-wing propaganda factories—promulgators of Neoliberal ideology.They have caused untold damage—yet they somehow continue to operate, attracting support for society’s most corrupt and iniquitous...as well as followers from society’s most ignorant and credulous.The distinction is important: the former know EXACTLY what they’re doing and why they’re doing it.The latter is oblivious—being duped into supporting an ideology (and the accompanying right wing policy) that is flagrantly deleterious to the weal of the general populace.

The present essay pertains to the former group: those who are perfectly aware of the consequences of their deeds.They are those who are the impresarios of the Republican Noise Machine—including Rupert Murdoch and his minion, Roger Ailes.They are the Grover Norquists and Karl Roves, the Koch Brothers and the Wall

Street Journal's Paul Gigot. They are Fred Barnes and William Kristol, Charles Krauthammer and John Podhoretz. They are those who still support the corporatist agenda via the shameless touting of Neoliberal and Neocon ideology (even after the economic collapse of 2008). All these sad men can be categorized as Millerites. The label is appropriate in that Neoliberalism has essentially been rendered an analogue of the Millerite Faith.

Some are academics. Such figures include Thomas Sowell and John Cogan of the Hoover Institute, members of the Cato Institute, and certain faculty members in the economics department at the University of Chicago (most notably John Cochrane and Robert Lucas). These are figures who originally succumbed to intellectual capture in order to subscribe to (and provide rational for) Neoliberal dogma. However, now that their ideology has imploded and their theories (RET, RCT, EMH, trickle-down economics, supply-side economics) have all been conclusively proven wrong, they opt to engage in stupendous feats of cognitive dissonance, confirmation bias, delusion and pathological obstinacy. They do all this in order to maintain their ideology. Ergo the label, "Millerite".

These unrepentant Neoliberals are hell-bent on maintaining their ideology—at all costs. We can attribute much of this to ego, and some of it to dubious motives (serving their paymasters).

Such figures are not to be confused with corporatists within the government: sell-outs like Hank Paulson and Tim Geithner (hacks for Goldman Sachs)...as well as Chris Dodd. Hank Paulson wins the gold medal for most corrupt—and complicit—free market fundamentalist who managed to secure a high position in federal government.

Millerites don't account for ALL Neoliberal ideologues, of course. Figures like Rubin, Summers, and even Neoliberal icon Greenspan have had the honesty to express regret for their policy stances, and have provided marginal admissions regarding the fraudulence of the ideology to which they'd subscribed. The starkest reform case is Volcker, who largely renounced the now-defunct ideology and, since the collapse, has pushed for genuine reform in certain areas. Volcker, Bernanke and other marginal apostates have been repentant to various degrees.

Nevertheless, Neoliberalism has become an analogue of the Millerite cult.

Progressives like Paul Krugman of Princeton, Joseph Stiglitz of Columbia, Simon Johnson of MIT, and Robert Schiller of Yale serve as the antithesis of the Millerites. Such figures, however, still have little (if any) influence on public policy.

Indeed, some in the Democratic Party (i.e. those who are corporatists) are still bought by the banks and by corporate power (Tim Geithner and Rahm Immanuel being the most obvious examples). Such corporatists have demonstrated quite clearly that the Democratic Party is merely a watered-down version of the G.O.P. It is not an opposition party so much as a less-extreme right-wing party. The Democratic party is largely comprised of a cadre that will regularly capitulate to the Republican cult—all in order to serve its paymasters—and maintain Neoliberal policy.

It is no secret that many figures in the government are essentially under the employment of the investment banking industry and other forces of corporate power—rendering the State an annex of highly-concentrated PRIVATE power. Such corporatist politicians are not public servants; they are bought by corporate / banking power. This result of this is the system we now have: Legislation is basically written by (and for) corporate / banking interests. Neoliberal ideology provides a rationale for this process. Republicans openly admit the agenda while Democrats subscribe to it while paying lip-service to opposition. (It's difficult to ascertain which faction of the Business Party is more dishonest!)

The cabal of academic sell-outs (the die-hard members of this Millerite faith) are recruited by corporate power (and its lobbies and think-tanks) to provide a veneer of scholarly legitimacy to this iniquitous (Neoliberal) agenda. It is the right-wing elements within the government—and within the electorate—that brought about this egregious dysfunction—the disastrous consequences of which we are now seeing. It is the Millerite segment of these elements that, after 2008, stubbornly persist in promoting that same agenda.

The fallout of the systemic dysfunction with which we are now dealing is the result of the tragic success of such right-wing elements. We are contending with the ramifications of Neoliberal supremacy. The efficacy with which corporatists were able to translate Neoliberal ideology into policy is now apparent. The MOTIVES for doing so have always been quite clear.

The corporatists (both governmental and academic) were well-rewarded for their complicity. Even after the disaster they've caused, the Millerites continue to be in the pockets of the corporate power that has employed them from the start. By



obstinately persisting in their endorsement of Neoliberal ideology, these figures obstruct efforts to correct the dysfunction they created. Their reasons for doing so are straight-forward: quid pro quo. (This couldn't be more clear to any impartial, level-headed observer.)

The human psychology involved here is quite fascinating—if not downright disturbing. When all intellectual integrity has been abdicated, and the delusions of hyper-dogmatism set in, we encounter an obstinacy that is astonishing to behold. Such conduct is indicative of cult activity. This phenomenon explained by the standard m.o. of staunch ideology. Such flagrant corruption has always been the nature of EVI; it is the logic of quid pro quo. Thus, these appalling developments should come as little surprise. Still, the reasonable observer finds himself flabbergasted by such observations.

THE NEOLIBERAL MILLERITES:

A CASE STUDY IN INTRANSIGENCE

The Neoliberal version of the Millerite is a fascinating creature. Such figures have cropped up across the country. Together, they've formed a unified force that has yet to be reckoned with. The unrelenting mendacity of this unreconstructed cabal of academics is astonishing to behold—and sometimes quite intimidating. They are a persistent bunch who have managed to leverage their clout (as establishment academics) to serve their corporate paymasters. This coy stunt has proven tragically effective precisely because most of us haven't yet recognized it for what it is: an analogue of the Millerite movement from the 19th century.

The new Millerites have taken full advantage of the “think tank” phenomenon—using these hives of charlatanry as propaganda factories—churning out dogma at a frantic pace, funded by their corporate backers. All the while, their intransigent nature betrays a religious fealty to the sanctified ideology: Neoliberalism. They have such a staunch, vested interest in the corporate agenda, it comes as little surprise when we find that corporate power is precisely what subsidizes their activities.

The Neoliberal Valhalla is an enticing place—a Galt's Gulch writ large. It is touted as though all society would operate magnificently well if only every man aspired to be—above all else—a savvy BUSINESSMAN. It almost sounds wonderful at first blush. In reality, of course, the anarcho-capitalist's Shangri La is an untenable panacea for corporate power: a society based on an every-man-for-himself scenario. This free-for-all would transpire within the structural constraints designed BY the privileged few

FOR the privileged few.(Here, the “privileged few” is an ameritocratically-determined cadre of cronies: those who are well-positioned within the system so as to optimally take advantage of the system.)

Here, then, socio-economic status becomes highly concentrated, allocated such that those who benefit from the established order can rig the system so as to sustain it.In other words, the incumbent power structures are rigged to maintain the incumbent power structures.Neoliberal ideology is the optimal tool for carrying out this scheme—as it promotes the scheme under the auspices of “liberty” and “individual choice”.

The obstinate way of the Millerites is indicative of a collective pathology.Their recalcitrant posture betrays a well-veiled, monumental intellectual dishonesty—which can be revealed the moment we compare their brazen claims with socio-economic facts.Their lofty rhetorical proclamations about “freedom” and “prosperity” are constantly belied by their wonton disregard for the weal of the general populace, the chronic ignoring of structural inequalities, the unbridled support for corporate socialism, and the unapologetic yearning to abet plutocracy at every possible opportunity.

One of the primary impresarios of Neoliberal policy implementation was George Shultz, the archetypical corporatist.The Bechtel executive and Chicago School icon was the quintessential Big Business operator during his tenure as a Washington insider.It is no secret that his shameless collusion with corporate power while in public office wreaked untold havoc on the American economy.Shultz’s infatuation with power—and fetishization of American power especially—was behind everything he ever did or said.Yet we rarely hear indictments of his role in the disastrous policies of the 70’s and 80’s.His complicity in Neoliberal policy implementation—and the pursuant fall-out—should be recognized.

POSTSCRIPT:

The recalcitrance of the Neoliberal Millerites can—in part—be accounted for by the entrenched vested interests they strive to protect.This boils down to conflicts of interest.

However, much of the obstinacy exhibited by such people can be explained by basic psychology.The salient phenomenon here is a familiar one: SAVING FACE.Not only have many invested a tremendous amount of psychological energy into a stance,

they have based their reputation and even their identity of that stance BEING RIGHT. They therefore find themselves needing to “stick to their guns”. In logic, this is referred to as the Concord Fallacy.

Nobody likes to be wrong—let alone demonstrated to be wrong in front of lots of other people. The Millerites, then, are Millerites largely because of pride—a false pride that engenders bull-headedness. Millerites are characterized by a bizarre strain of self-righteousness and stubborn-ness. They will defend their ideology at all costs—employing staggering feats of confirmation bias in order to maintain their stance. At the end of the day, it is all about ego.

That this is largely a issue of “ego preservation” becomes quite plain when we observe the manner in which the most staunch Neoliberals adamantly cling to their ideology—as if members of a cult. As is typically the case with superstitions, bouts of cognitive dissonance occur quite frequently—so as to maintain the illusion that the coveted ideology retains any credence.

Once people have wed themselves to a dogma to such a staunch degree, it becomes quite difficult to pry them from it. The more one strives to demonstrate the dogma’s illegitimacy, the more the ideologue will dig in his heels. The more evidence that is presented to the ideologue, the more cognitive dissonance will be employed. This process of Reality-denial is typical of any adherent to a system of sacrosanct dogma—be it Scientologists with L. Ron Hubbard’s ramblings, Salafists with the Koran, Orthodox Jews with the Torah, Evangelical Christians with the Bible, etc. The cult of Neoliberalism is no different. Once a memplex has been sanctified by a group, the group will sometimes defend its verity to the death.

The ideologues’ defense of his sacred creed will become increasingly staunch (i.e. pathological) whenever they have come to base their very identity, self-esteem, and “good name” on their belief system. Indeed, it could be said that such people have mentally “crossed the Rubicon”, arriving at a point where the world would cease to make any sense to them if not for the anointed dogma. Their world would crumble if they were deprived of their house of cards. So the house of cards must be defended at all costs.

In the face of insurmountable countervailing evidence that his ideology is hogwash, the ideologue will be defiant. This face-saving maneuver is natural for any human being who seeks to avoid humiliation, embarrassment, shame—or a dent to his reputation. It is no surprise, then, that the more Neoliberalism is shown to be a sham, the more obsessive its more vociferous advocates become.

Every speculation-based economic crisis, every bubble, stagnant real wages for the rank and file year after year, massive levels of income inequality, the fallout from hurricane Katrina, the 2010 BP oil spill, countless examples of crumbling infrastructure, structural inequalities, chronically marginalized segments of the population, utterly neglected social services, rampant corporate socialism, myriad instances of corporate corruption: The more irrefutable evidence that is brought to their attention that free market fundamentalism is horrendously defective, the more vociferously the Millerites will dig in their heels.

There's simply no getting through to them. Their defiance shouldn't be surprising—once we assess the psychology behind their mindset. What the rest of us need to do is make sure that we learn our lessons, and recognize fraudulent economic policy when we see it. Just as those of us wanting to learn about, say, evolutionary biology don't allow creationists to sabotage our ability to employ science, those of us who want to make the world a better place shouldn't let right-wing ideologues hijack the nation's economic policy.

We shouldn't let the corrupt and ignorant spoils things for the rest of us.

Thus, it must be firmly established: Any faculty member in any economics department who, after all that has happened as a direct consequence of right-wing economic policy, still endorses Neoliberal ideology **has forfeited his right to be taken seriously in the field**. In such a case, the academic has demonstrated a flagrant disregard for facts, and exhibited an egregious level of intellectual dishonesty...not to mention reckless abuse of his position.

Meanwhile, right-wing pundits still promulgating Neoliberal propaganda should be called out for what they're doing. It must be made strikingly apparent who the charlatans are and who the genuine scholars are. Until this crucial difference is pointed out, loudly and clearly, the general populace will continue to conflate the two types of figures. Until people can make this distinction, they will continue to be confused about which sources have credence and which sources are frauds...and thereby persist with faulty impressions about macro-economics.



Intellectual capture can be exposed by revealing any / all conflicts of interest—red flags that may exist for any talking head. Regarding any source, we can ask: What is his motivation for saying what he's saying? What does he personally stand to gain if people believe what he says? What does he personally stand to lose in the event that people don't go along with what he says? Does he have any vested interests? Hidden incentives? Ulterior motives?

These are all straight-forward questions to ask. It's not that we haven't been answering such queries; it's that we haven't even been posing them. We can't address the symptoms until we accurately diagnose the disease. Like a responsible doctor, it's time to start asking the right questions—lest the patient continue to ail. What we need to STOP doing is allowing the witch-doctors and soothsayers to dictate “treatments” that only perpetuate (and exacerbate) the sickness—in order to fill their own pockets.

Profiting off of other people's sickness? That's standard Neoliberal policy.

SUGGESTED READING:

The 4 best books on the recent history of Neoliberalism:

A Brief History of Neoliberalism –David Harvey

Winner-Take-All Politics –Hacker / Pierson

The Shock Doctrine –Naomi Klein

Unequal Protection –Thom Hartmann

The 4 best books on what happened in 2007-8:

The Great American Stick-up –Robert Scheer

Freefall –Joseph Stiglitz

Griftopia –Matt Taibbi

It Takes A Pillage –Nomi Prins

12 insightful books on where we are now:

Capitalism Hits the Fan –Richard Wolff

America Beyond Capitalism –Gar Alperovitz

Zombie Economics –John Quiggin

Zombie Capitalism –Chris Harman

Constructions of Neoliberal Reason –Jamie Peck

The Crisis of Neoliberalism –Dumenil / Levy

The Strange Non-death of Neoliberalism –Colin Crouch

Keynes: Return of the Master –Robert Skidelsky

Maynard's Revenge –Lance Taylor

Republic Lost –Lawrence Lessig

After-shock –Robert Reich

Ill Fares The Land –Tony Judt

10 great books on the theoretical background:

American Capitalism –John Kenneth Galbraith

The Limits of Capital –David Harvey

The Enigma of Capitalism –David Harvey

One Market Under God –Thomas Frank

The Myth of the Rational Market –Justin Fox

Capitalism & Its Economics –Douglas Dowd

Understanding Capitalism –Douglas Dowd

23 Things They Don't Tell You About Capitalism –Ha-Joon Chang

Wealth & Democracy –Kevin Phillips

The Moral Consequences of Economic Growth –Benjamin Friedman



MASON SCOTT
Thoughts From a Rogue Progressive

For a list of a few dozen indispensable books on the dysfunction of American power structures and financial systems, see the bibliography for my essay, "American Ameritocracy".