No American likes to think of the United States as a class-divided society. The American myth is that the country was and is the world's first classless society—that anyone can make it to the top. Even today as the distance between America’s rich and poor is growing, it is difficult, says Andrew Hacker, to make the case that America’s wealth stratification is rooted in persistent class differences (Hacker, “The Rich and Everyone Else,” New York Review of Books, 5/25/06). Nevertheless, in a new book, The Global Class War: How America’s Bipartisan Elite Lost Our Future—and What it Will Take to Win it Back (New York: Wiley, 2006), author Jeff Faux argues that people in the United States and around the world are becoming more and more divided economically. —The Editor

In Jeff Faux’s telling of the story, the American myth of classlessness was easier to believe before the 1970s than it is today. In fact, the persistence of the myth today provides the clearest possible evidence of how America’s super-rich have hoodwinked the rest of America and indeed the world. In The Global Class War, Faux makes class the central lens through which to analyze what has happened socially, economically, and politically in the last few decades.

So what happened around the 1970s to change the nature of America’s—and eventually the world’s—economy and society? Essentially, America’s super-rich (the top one percent or so of the population who can live on investment income alone) found a way to conspire with the political class and the chattering class to attack democracy and exploit the rest of society. The revolt began in the 1950s, led by William F Buckley, Jr., who financed The National Review and gathered around him the devotees of Ayn Rand, Irving Kristol, Norman Podhoretz, and Milton Friedman. They were revolting against the earlier social compact represented by the New Deal, according to which the rich got a fair share of the profits while providing a minimum social safety net for the poor in terms of income, medical care, and education.
Yet it was not until the Republican Party was able to draw into its tent the morally and socially conservative activists as well as these economic neoconservatives that the ideas of Buckley, Friedman, and others gained political and intellectual respectability. The Republican Party, Faux contends, was then able to provide "an umbrella that hid the fundamental contradiction between the interests of social conservatives and corporate investors. The former wanted to use government to limit the freedom of individuals to pursue their hedonist instincts. The latter wanted the government to facilitate the stimulation and commercialization of the same instincts. The organizing genius of conservative Republicans was to compartmentalize the two opposing value systems so they reinforced each other against what was perceived as a common liberal enemy. The social conservatives would bring grassroots energy. The corporations would bring the money."

This seemingly impossible coalition achieved its culminating success with the Reagan revolution, whose purpose "was clearly not to eliminate government influence on the economy. It was to use government in order to shift the distribution of income and wealth upward, and roll back the power of popular democracy to constrain the prerogatives of the corporate elite. As for social conservatism, it had never been high on the agenda of Ronald Reagan, a product of Hollywood—the heart of the hedonist beast. Reagan's primary target was the unions. By breaking the air traffic controllers' union in his first year in office, he signaled to corporate America that the post-World-War-II accommodation [between] labor and capital was over. It was now open season on organized labor. The other target was postwar social safety nets."

The NAFTA Strategy

As Faux sees it, the most radical idea sponsored by President Reagan and then promoted by George H.W. Bush was the North American Free Trade Agreement (NAFTA), which was designed for the express purpose of escaping "the constraints of democracy." The sponsors of NAFTA wanted privatization, deregulation, and the freedom to pursue profit anywhere in the world [in order to] trump the cause of building a just society at home. . . . The purpose of NAFTA was not to make the constituent nations more competitive [or wealthy]. It was to make North America's corporate investors more competitive [and wealthy] by giving them access to cheap labor and . . . government assets."

Though neither Reagan nor George H.W. Bush was able to push NAFTA through a Democrat-dominated Congress, Democratic President Bill Clinton was able to do so, reneging on his electoral promise to oppose NAFTA if it did not have adequate social and environmental protections. Why did Clinton "deliver the Democratic Party to a business agenda" and support "NAFTA rules, designed by his political adversaries, to allow their constituencies to get more, and his to get less?" Because Clinton had gone out to raise money from business for the 1992 elections, for which he received at least $853,295 from the financial industry alone, and thus began to identify with the agenda of the elite. Once Clinton was in the White House and started delivering on that agenda, "the coffers opened up for him and for his party. In the campaign of 2000, the Democrats raised $340.3 million from business. Labor's contribution to the party was $52.4 million." Clinton's betrayal of the American people, writes Faux, thus "reflected
the complex interaction of money, ambition, power, and ideology that drives both Democrats and Republicans to try to shape the future of global society around a social model in which the corporate investor is king."

Lest we are misled into thinking that Clinton’s betrayal was unique, Faux points out that Clinton represents a “stock character” in the national political melodrama: “the left-of-center leader, elected by popular reaction to conservative policies, who continues the same policies in a trendier or more populist style. Among other similar leaders at the time were Britain’s Tony Blair, Canada’s Jean Chretien, Germany’s Gerhard Schroeder, South Korea’s Kim Dae Jung, and Argentina’s Carlos Menem.”

In order to get NAFTA past Congress, Clinton and his managers first misrepresented the treaty as a matter of free trade, when trade was already quite free. NAFTA was rather about establishing "common protections and rights for multinational corporate investors”—protections and rights that the governments of the three North American nations would not be allowed to weaken. These corporate protections and rights included “patent protection, banking regulations, and the right to challenge environmental laws.” Agreements on labor and the environment, however, “were little more than admonitions to each nation to enforce its own laws. No common standards were set; any of the three nations could . . . eliminate the minimum wage, outlaw unions, dismantle health and safety standards, or loosen restrictions on the industrial pollution of air and water at will.” NAFTA, says Faux, thus entrenched a "division between those who could make money by investing somewhere else, and those whose job or business or concern for the environment was stuck in America."

Clinton and company also indulged in double-talk by describing NAFTA as an “agreement” when it was actually a treaty, and they deliberately described it wrongly in order to dodge the U.S. Constitution’s requirement that treaties be ratified by a 75 percent majority of Congress. Agreements require only a simple majority—and even that simple majority was obtained at the last minute by untasteful methods in spite of the fact that the majority of the country stood opposed to NAFTA. "A Gallup poll (at the time) showed 65 per cent of Americans opposing the agreement, and only 28 percent in favor."

Nowhere is the contempt for democracy on the part of the framers of NAFTA more evident, according to Faux, than in its failure to provide "any way for citizens to become informed about—much less participate in—the management of the economy that NAFTA created. Indeed, there is not a single office where a citizen of North America or a legislator or a journalist can go to speak to someone in charge. The government of this continental economy is not only out or reach, it is out of sight. . . . The closed system is further protected by the notion that the relations between the three countries are matters of foreign policy. Citizens who are not in the elite government and business networks must get their information from the foreign policy apparatus of their country, which by its nature is secretive. The purpose of keeping such information hidden is clearly not national security, but to keep the citizen from knowing what goes on."
Not surprisingly, NAFTA has been a resounding success—for the top one percent of NAFTA’s elite. It has been a substantial success for the next nine percent or so of NAFTA-area’s population, while the middle classes have neither benefited nor lost a great deal. On the other hand, for the vast majority of the working class and the poor, NAFTA has been a disaster. “In 2002, the average income of the very top one-tenth of 1 per cent of [U.S.] income earners—about 145,000 taxpayers—was over $3 million. It had more than doubled since 1980. The group’s share of all income also more than doubled. The share of income going to the rest of those in the top 10 per cent also rose, but much less. The share of income going to the bottom 90 per cent fell.” Wealth, in other words, is becoming ever more concentrated. By 2001, the top one per cent of households had come to hold “33 per cent of all Americans’ assets and 40 per cent of all financial assets.” By contrast, in the last 30 years, “the minimum wage, unemployment compensation, and the right to strike are among the legal rights that have been eroded.”

From NAFTA to the World

Conventional wisdom among the global elite, Faux argues, is that inequality is the price a society must pay for increased social mobility, arising from greater economic opportunity. Thus, for example, “the governing class never seems to tire of telling Americans how lucky they are compared with the citizens of Western Europe who are so protected from competition that they have no incentive to succeed. Yet, although the United States has the highest level of income inequality among all advanced societies, a child born to poverty actually has a greater chance of moving up the class ladder in Western Europe and Canada than in the United States.” The U.S. and Britain, writes Faux, stand out as the least mobile among rich countries. France and Germany, by contrast, which are “regularly ridiculed by the American elite for economic policies that supposedly discourage ambition, actually provide more room for mobility than does the United States. Canada and the Scandinavian countries, home of high taxes and generous welfare, are, according to the numbers, even greater lands of individual opportunity.”

You may be able to become a billionaire more quickly in America, according to Faux, but “your chances of living a longer, more secure life, with a higher-quality education for your children, and time for your family and friends, free from the anxiety of economic ruin if you get sick, are much greater in Western Europe.”

The immediate cause of reduced economic mobility in the United States has been the closing off of avenues of escape from low-wage jobs. The traditional job paths into the middle class—unionized industrial jobs and unskilled government service—have shrunk. While opportunities for further upward mobility have declined, rising costs have priced people in the lower end of the income distribution out of the market for a college education, the springboard for the next generation.

Though any single explanation of complex social, economic, and political matters is rarely adequate, Faux argues persuasively that illegal immigration, the ubiquity of drugs, and the fall in real wage levels in all three countries are directly linked to NAFTA’s deliberate avoidance of antitrust considerations, minimum wage legislation, and environmental protection.
However, NAFTA was only the proving ground for a wider attack on democracy around the world in the shape of the World Trade Organization (WTO), which similarly entrenches corporate rights while neglecting environmental and minimum wage requirements. "The NAFTA financial model—liberalization of trade and finance leading to a speculative bubble, a subsequent crash, and the protection of investors from the consequences of their own actions—was repeated in various forms in the 1990s . . . in Thailand, Brazil, Bolivia, South Korea, Indonesia, Russia and Argentina." Though Faux does not say so, this continues to be the standard practice today, which is not surprising, since the aim of preserving the system in a way that benefits those who make the economic mistakes is a bipartisan affair among the economic and political elites.

One of the most perceptive remarks Faux makes is that the "pursuit of class interests is typically not a matter of personal corruption. And in most cases those who pursue it are amazed that anyone would question what they are doing. . . . They drift over the line so often that they don’t really think about it."

However, Faux is not right to suggest that the WTO agreement is cast in stone, for we are now in another round (called "the Doha round") of WTO discussions, and it is impossible to say exactly what the current round of discussions will produce by way of agreement—if anything. Optimists still hope that it is possible that some of the worst elements of corporate protection and, conversely, a lack of protection for the environment and the poor, may be eliminated from the WTO in the future.

**Questions**

Faux’s book suffers from some exaggeration and also from some stridency. In addition, there are two other substantial things that need to be said in evaluating his argument.

Though Faux presents himself as the champion of the masses, he is either unaware of or willfully neglects the fact that the majority of people in the U.S. identify themselves as Christians. In the 292 pages of his book there are at most four mentions of Christians or Christianity, all of them negative. There is of course an element of truth to Faux’s view that many Christians are simply social reactionaries. But there is only a small element of truth in that view, because it ignores entirely those politically moderate and progressive Christians, many of whom vote Democratic or are independent.

Nevertheless, Faux’s argument forces this question: have U.S. Christians served, even if unwittingly, as foot-soldiers in a class war that has been and is being fought by the American economic elite against the poor and middle class? If Faux is right, then U.S. Christians need to come to terms with the fact that their first loyalty should be to Jesus and to his Body, which is composed of more people in the rest of the world than it is of people in this country. Moreover, most Christians outside the U.S. are poor. American Christians, in other words, should not be sympathetic to, or supportive of, the economic policy aims of the American economic elite as those aims are
represented by Faux. The political priority for U.S. Christians should be to help shape a global order that embodies justice for everyone. In practical terms, this means that a primary duty of American Christians should be to join with Christians throughout the world to fight the self-interested policies and practices of the global elite. In turn, that calls for learning to understand how economic and political self-interest has operated and how it has set the global agenda since the 1950s.

What Faux does not tell us, possibly because he does not know or remember it, is that a high moral tone for the West’s development was set from about 1830 by William Wilberforce and the small number of people in the Clapham Circle, who were not only the prime movers in abolishing slavery in the Western world, but also the ones who changed the character of public debate and the ethos of public life. As a result, Victorian England became the most moral society known in the world up to that time and it significantly influenced both Continental Europe and North America. However, the moral foundations laid by the Clapham Circle began to be undermined from about 1880 in Europe and about 1930 in North America when the British and global elite started using Darwinism to attack Christian belief. If the global elite continues to enervate or co-opt Christians in this way, then the door will remain open for the elite to pursue its agenda without much hindrance.

If Christians do not want to be foot-soldiers in the service of the aims of the world’s wealthy elite, then they should be working to develop a distinctive political program concerned above all with justice for all—a program that neither the Republican nor the Democratic Party in the United States represents. And a broader program of just policies must reach beyond the issues of abortion, marriage, and the family; it must deal with multiple dimensions of the widening gap between the rich and the poor of the world.

As for Jeff Faux, he suggests that “in any sensible vision of the future economy, the rights of workers to advance their interests through collective bargaining must be made at least as strong as the rights of investors to advance their interests through collective corporate ownership.” There also needs to be “an extension of citizens’ rights to minimum levels of health, safety, conditions of work, transparency in government, minimum levels of education, food free from contamination, and minimum levels of clean air and water as well as other fundamental environmental conditions.”

Faux also suggests the creation of a supranational Continental Congress for Canada, Mexico, and the U.S.A. whose "purpose would not be to govern by plebiscite, but to balance the power of big money that will certainly not disappear with the emergence of a continental union." Though he does not say much about how a supranational congress could function to provide such a balance, he does suggest that it could fashion "tax accords that guarantee a minimum share of each country’s GDP [for] critical public investments."

This is a rich and provocative book with a few serious flaws. It is certainly worth reading, and for Christians it is worth praying through as part of a deliberative process of considering what actions Christians should now be taking.
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