

America has a terrible headache, but it seems like no one wants to cure it

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Gary Younge

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Good sense, on the other hand, represents those durable truths and stubborn facts that outlive their unpopularity. The fact that it is right does not necessarily mean that it is not marginal. It persists for the simple reason that prevailing conditions underpin its relevance even when prevailing opinion ignores it.

At times the two coincide, at others they collide. At different moments in different places, burning witches, a flat earth, eugenics, slavery, smoking in restaurants and corporal punishment in schools were all common sense. But they were never good sense.

"Common sense is not something rigid and stationary," wrote the late Italian Marxist Antonio Gramsci, who crafted the distinction from Mussolini's prison. "It creates the folklore of the future, a relatively rigidified phase of popular knowledge in a given time and place." Good sense, he argued, was often concealed in common sense, but emerged primarily in times of crisis and transformation.

We find ourselves in one such crisis now. As markets plunge, banks fail and traders panic, the core principles that have underpinned western economic and political culture for a generation have been thoroughly discredited. Less than a month ago the invulnerability and inviolability of unregulated global capitalism was common sense. The system that leaves half of the world living on less than a dollar a day, with some so impoverished that they are eating mud cakes and selling their children into bondage, was apparently working well. To suggest otherwise was to be dismissed as extreme.

But such orthodoxies can collapse even faster than markets. By the end of last week the US treasury secretary Henry Paulson was literally on one knee before Nancy Pelosi, Democratic speaker of the House, begging her to save the bailout deal. Later George W Bush warned of the entire American economy: "This sucker could go down." Suddenly, government intervention in markets, reining in executive pay and placing controls on the flow of capital are good sense.

While the gravity of the crisis is clear, the prospects for transformation remain remote. The fact that this meltdown took place during a presidential election should be fortuitous. It ought to provide the two candidates with an opportunity to lay out different visions of how they would tackle the situation at a moment when the nation is intently focused on politics. If ever the country needed leadership, it is right now. And here are two men vying for it.

Yet the financial crisis has, for the most part, made the presidential campaign seem less relevant, not more. The credit crunch and the election are taking place as though on a split screen. There is a connection between the two - Barack Obama has bounced back as a result of people's attention being refocused away from lipstick and pigs and back on to their mortgages, retirement accounts and jobs. But it is not a substantive one. For while the crisis has changed the electoral conversation, nobody is seriously looking to this conversation for new ideas, let alone a solution.

The notion that there might be alternatives to rapacious capitalism have been all but banished from the public square. That limited discourse leaves us with limited options. Those who claimed that the government was the problem now cast it as not just the ultimate, but the sole solution. Good sense demands a thoroughgoing reappraisal of a system that's in a state of collapse; common sense requires we subsidise it in perpetuity for fear that it breaks down. That sounds like nonsense.

"If you beat your head against the wall," Gramsci once wrote, "it is your head which breaks, and not the wall." Right now the American public has a terrible headache. And it doesn't seem as if this presidential race is going to cure it.

For this election to make any sense at this juncture it must challenge the assumptions of the past 30 years that have led America to this place. They are assumptions that have been aggressively promoted by the Republicans in general, and George Bush in particular. But to gain traction they had to be first conceded and then embraced by the Democrats. The result is an American self-image rooted in unrivalled military superiority and economic might now stands in stark contradiction to a more tawdry and tattered reality. Add the credit crisis to defeat in Iraq and problems in Afghanistan and what you are left with is a sub-prime nation - overextended both militarily and economically, living large and beyond its means.

It will be the task of whoever wins on November 4 to manage America's decline in status and power and a consequent further deterioration in Americans' standard of living. This process will be painful and could be protracted. Little wonder, then, that nobody wants to talk about it. Instead they keep talking of America as the shining city on the hill, without realising that the city they are referring to is bankrupt and the lights are about to be cut off.

It was clear from Friday night's debate that neither John McCain nor Obama really know what to do. The little that they will commit to are things they agree on. Both stand at the mercy of events and the market.

That does not mean it is irrelevant who wins. The difference between them on this issue may be marginal, but for now they are the margins within which we live, and in which many will have to survive. Back in 1932, in the midst of the Great Depression, many commentators lamented the lack of difference between Herbert Hoover and Franklin Roosevelt. One satirist wrote a searing piece about an imaginary match-up between Franklin Hoover and Herbert Roosevelt. "Given later developments, the campaign speeches often read like a giant misprint, in which Roosevelt and Hoover speak each other's lines," wrote Federal Reserve chair, Marriner Eccles. Whatever slight difference there was rhetorically would prove to make a huge difference in reality during a vital period. It makes as much sense to elect McCain as it would have done to re-elect Hoover.

McCain's response to government coffers depleted by the bailout isn't to rescind his tax cut but to freeze spending on everything but defence, veterans and entitlements - a military financial complex. Obama has conceded that his plans to expand access to healthcare, education and to make America energy-independent will have to be trimmed. Finally, the American political class has embraced a redistributive agenda. The trouble is they are about to divert public money from the poor to the bankers and financiers.

"Capitalists can buy themselves out of any crisis, so long as they make the workers pay," said Lenin. It is rarely regarded as common sense to quote him in polite company. Yet as a description of what is taking place right now, it is the most sense I've heard in a long time

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