

# Reality behind S-word fearmongering

A balance of capitalism and social welfare critical to any functioning modern society



Cathy Young

“Socialism” seems to be the big word of this midterm election season. After the rise of Sen. Bernie Sanders in the 2016 primaries and the embarrassing defeat of centrist liberal Hillary Clinton in the general election, the Democratic Party is lurching left. Alexandria Ocasio-Cortez, the 28-year-old congressional candidate in New York’s 14th Congressional District who dealt a shocking defeat to 10-term incumbent Rep. Joe Crowley in the June primaries, has become a living symbol of this trend. Ocasio-Cortez, who despite some missteps is hailed by many as the new face of the party, is a member of Democratic Socialists of America.

Several other members of the organization are expected to win seats in state legislatures. Meanwhile, a new Gallup Poll shows that 57 percent of Americans who identify as Democrats or

Democratic-leaning have a favorable view of socialism while only 47 percent have a favorable opinion of capitalism. (In other polls since 2010, the positives were roughly the same for both.)

Does this shift mean Democrats are in thrall to a dangerous radicalism? Many conservatives have evoked the horrors and miseries of 20th century communism, or the more recent fiasco of socialist Venezuela. Progressives accuse them of scaremongering, pointing instead to the success of European social democracies, especially in Scandinavian countries. This has prompted a debate on whether the “Nordic model” is socialist at all or thoroughly capitalist, with a high degree of free enterprise coexisting with a generous welfare state.

To some extent, it’s all a matter of semantics. In the Gallup Poll, for instance, the overall positive rating for “free enterprise” is 23 percentage points higher than the rating for “capitalism,” and entrepreneurs are viewed even more positively.

As both progressive Eric



AP / CINDY ELLEN RUSSELL

New York’s Alexandria Ocasio-Cortez attends a campaign rally Aug. 9 for fellow congressional hopeful Kaniela Ing in Waikiki, Hawaii.

Levitz in New York magazine and conservative Kevin D. Williamson in National Review have pointed out, many conservative/libertarian pundits are all over the place when it comes to the S-word. Sometimes, everything they dislike is socialism — even programs encouraging healthy eating and exercise for schoolchildren — and any move toward European-style social welfare is a step toward the gulag; sometimes, when European socialism seems to be

doing just fine, it’s not socialism at all.

The Democratic Socialists of America has a program that goes far beyond Nordic-style social welfare, advocating public ownership of enterprises. But there’s no chance of that agenda being embraced by the Democratic Party anytime soon, and it’s safe to say that most of the socialism-loving Democrats in the Gallup Poll want nothing of the kind; they simply favor a stronger safety net and more social benefits. To

some extent, Republicans’ tendency to wantonly use the word socialism as an epithet against centrist liberals like Clinton or Barack Obama is responsible for socialism’s newfound popularity.

Whether Nordic-style social welfare can work in the United States, which has a far more heterogeneous and dynamic population, is another question. The Scandinavian social democracies may not be tyrannies, but they impose a high degree of conformity and collective pressure on the individual. In Sweden, 94 percent of children are enrolled in publicly run preschools, which have recently pushed an ambitious program of gender-neutral socialization; Denmark is introducing coercive laws to promote assimilation of immigrants.

A balance of capitalism and social welfare is almost certainly essential to the functioning of a modern society — and public discourse needs both libertarian and democratic socialist ideas. But any political change must be tempered with realism and a sober understanding of its costs — or the costs may prove higher than we can imagine.

Cathy Young is a contributing editor to Reason magazine.



JESSICA ROTKIEWICZ

Some Brightwaters residents complain about the amount of goose fecal matter underfoot. Others urge humane treatment of the birds.

when they’re just trying to survive in our concrete jungle.

As someone who frequently rescues birds from Brightwaters, whether they are geese entangled in fishing line or domestic ducks abandoned to die in the ponds, I implore people disgruntled by geese to realize how lucky they are to share

their communities with wildlife and not get frustrated with birds just for being birds.

Juliana Di Leonardo,  
Malverne

**Editor’s note:** The writer is vice president of Long Island Orchestrating for Nature, an animal advocacy and rescue organization.

## Indexing gains for inflation makes sense

Winston Churchill’s adage that “You don’t make the poor richer by making the rich poorer” came to mind with the headline “Administration studies big tax break for the wealthy,” News, Aug. 1].

Indexing the basis for capital gains for inflation might well eliminate tax on the sale of my 48-year-old home, which cost \$35,000 in 1970. Divorce in 1977 left me with three small children, a mortgage and the modest ranch now worth \$700,000 to \$800,000. Social Security and savings support me. A single \$250,000 property exemption plus improvements could leave about \$300,000 subject to capital-gains tax. Indexing the basis would be a huge tax break for me.

Your story’s headline does not serve readers who might fail to realize that you don’t have to be rich to benefit from

this proposed tax change if you own a home or investment savings. Democrats who assert the change would almost exclusively benefit the wealthiest Americans would deny Americans outside the 1 percent a significant break, similar to House Speaker Nancy Pelosi’s “insignificant” \$1,000 paycheck increase.

Nancy Fetherston,  
St. James

Part of me can see the logic in indexing capital gains for inflation. If most of the gain is from inflation, it seems only fair that it be exempt. Of course, the longer an asset is held, the greater the gain from inflation.

I would like to ask the Treasury secretary to apply this logic to interest as well. For the past decade, the interest on my certificates of deposit has been far less than the rate of inflation, but has been fully taxable — although the pur-

chasing power of CDs has declined.

Joe Squerciati,  
Hicksville

The reader who wrote the Aug. 6 letter “Sickened by tax break for ultrarich” questions why any administration would consider such policy. President Donald Trump has mentioned to his pals how much richer he has made them with his 2017 tax cut. And, of course, the rich will always take care to ensure they stay rich. Wouldn’t you?

I find it amazing that the story would shock her. Trump’s entire presidency is a barrage of shock every day.

Carolyn Newson,  
Riverhead

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