



Written by [Jack Kenny](#) on September 19, 2013

Rep. Grayson Hails “Stealth Socialism” in America

Rep. Alan Grayson (D-Fla.) has been hailed as a “progressive hero” by Democracy for America, the political action committee founded by former Vermont Governor Howard Dean. Yet he has something in common with some of the Tea Party heroes on the Republican Right. Grayson (shown) and his conservative colleagues agree socialism is on the rise in America. The difference is Grayson welcomes it.



“Stealth socialism’s been created,” Grayson, a second-term congressman from Florida’s Ninth District, said in an interview with [salon.com](#) on a range of political and economic issues. “We’ve had a government takeover of the bond market,” he said in describing what has happened since the financial industry crisis of 2008. He continued,

Government simply ends up owning more and more and more. If government had taken over the steel industry, maybe it would have been more noticeable. They’ve taken over the financing of housing industry as well, with a desired result. The result is now, finally, particularly in areas that were hard-hit, like mine in Central Florida, housing is ticking up again. So the Fed did in essence create an economic baseline that has led to something along the lines of 50,000-100,000 jobs created a month, setting a foundation for recovery for the U.S. economy.

Grayson is far from alone in noting the socialist trends in federal economic policy. In February 2009, less than a month after the inauguration of Barack Obama, [Newsweek](#) magazine published a cover story with the title “We Are All Socialists Now.” The article was about the new president’s bailout and economic recovery plans, but noted “the U.S. government has already — under a conservative Republican administration — effectively nationalized the banking and mortgage industries.” Even the late Marxist President Hugo Chavez of Venezuela hailed the federal takeover of a number of U.S. financial institutions, taunting President George W. Bush with the jibe that Bush had become a bigger socialist than Chavez himself.

Grayson claimed, “The Federal Reserve’s unconventional monetary policy put us back on a low-level track toward growth. They showed that monetary policy in extremis can work to some degree.”

Neither the Fed’s “quantitative easing” manipulations of the money supply nor Obama’s “economic stimulus” programs have created much of a success story in job creation, however. The anemic economic recovery that began officially in June 2009 was pattering along at an annual rate of about 1.7 percent during the second quarter of this year. The modest drop in the unemployment rate this August, from 7.4 to 7.3 percent was due largely to the fact that 312,000 dropped out of the labor force and had given up looking for work. The 63.2 percent of Americans participating in the labor force — meaning they either have or are looking for a job — is the lowest percentage since August 1978, according to [Department of Labor statistics](#). Among the few who were finding work, more were finding part-time than were landing full-time jobs.

Grayson is promoting essentially more of the same, recommending that the government spend more on “things like senior services, pre-kindergarten, cleaning up national parks, things we need to be done



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that would benefit society, and put people on the payroll and pay them \$10 an hour.” He even boasts of his success in getting a substantial increase in funding for a bilingual housing counseling program administered by the federal Department of Housing and Urban Development. It resulted from his unique approach to bipartisanship, he explained to *Salon* reporter David Dayen, an approach free of what he describes as a common misperception among Washington politicians.

“It’s to think that Republicans are going to vote for Democratic objectives, and vice-versa, because they like each other,” he said. “This leads to things like the president golfing with John Boehner. It’s this idea that if we play patty-cake, that will make everything better, and it’s not the case. Liberals vote and conservatives vote for the most part on underlying principles.” So how does Grayson work on those “underlying principles”? He offered his success with funding for the HUD program as an example.

I got a 50 percent increase for bilingual HUD housing counseling.... This matters a lot in my district, where 20 percent don’t speak English, and another 20 percent are bilingual. And they need housing counseling; it’s an area where housing values dropped 50 percent. So how did I get that? I said to Republicans explicitly ... “You claim you want to improve your image among Hispanics; put up or shut up. If you vote for this, it’s not much money, and you show you have a minimal concern for Hispanics; and if you vote against it, you don’t.” And they rolled their eyes; they said Grayson doesn’t understand; this would rob Peter to pay Paul. But when push came to shove, they accepted the amendment; they wouldn’t allow a roll call vote on it. They didn’t want to have their people vote against Spanish-language housing counseling. They didn’t do it because I made pals with them. I scared the crap out of them!

That’s one example of how well those underlying principles work. Economist and syndicated columnist Thomas Sowell has offered another. Sowell has been writing for years that increases in the minimum wage result in pricing many low-skilled workers, and especially young workers with little experience, out of the job market.

“What is surprising,” he wrote in a recent column, “is that, despite an accumulation of evidence over the years of the devastating effects of minimum wage laws on black teenage unemployment rates, members of the Congressional Black Caucus continue to vote for such laws.” He recalled once asking a member of that caucus why that is:

The answer I got was that members of the Black Caucus were part of a political coalition and, as such, they were expected to vote for things that other members of that coalition wanted, such as minimum wage laws, in order that other members of the coalition would vote for things that the Black Caucus wanted.

When I asked what could the black members of Congress possibly get in return for supporting minimum wage laws that would be worth sacrificing whole generations of young blacks to huge rates of unemployment, the discussion quickly ended. I may have been vehement when I asked that question.

Alas, poor Sowell. He just doesn’t understand Washington’s “underlying principles” the way Congressman Grayson does.



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