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## THEY SAID IT

There are many in all parties who look forward to the time when virtually the whole of the population will be dependent on the State for the whole of the amenities of life. Those who do so are the representatives of the most powerful class of the present day who, like the ruling classes which have preceded them, work in unspoken alliance toward common ends. This class is the new aristocracy of the pen and the desk, the professional organizers and administrators, who not only control the executive government (itself a province of vastly increasing importance), but also the machinery of organized labour and organized capital, and who now wish to assume not only the direction of all our great productive undertakings but, through the control of education and doctoring, the private lives of all the citizens.

Douglas Jerrold, *England: Past, Present, and Future*, 1950.

## THE LEVIATHAN.

We are going to begin this week with the proposition that Barack Obama is the antithesis of Captain Ahab, who famously said of himself, "All my means are sane, my motive and my object mad." In Barack's case, his motive and his object are arguably sane. His means are mad. Let us explain.

Barack has rightly concluded, as we have been saying for many years in these pages, that capitalism is not a suitable economic system *for the United States as it exists today*, and that democracy, *as practiced in the United States today* is equally deficient. This inadequacy has created a terrible mess.

Barack's cure for this problem is to replace the combination of capitalism and democracy with a very different model, one based on socialist principles. His cause is noble. Something must be done. The mess speaks for itself. However, the means with which Barack proposes to remedy this situation is insane. It will destroy the country. The situation reminds one of Bismarck's claim that he would prefer "some other mode of dying, if one could be found," when he was told by his doctor that he should get up every day at 5:00 A.M. and wrap himself in a wet sheet.

Now we have some thoughts about an alternative approach to solving the above mentioned problems. But these have no place in this article since neither Barack nor anyone else of importance has any interest whatsoever in them. The question at hand at this moment is whether Barack's "cure" would be preferable to the only available alternative, which is basically to do nothing, i.e., gridlock. Given that Barack's approach would lead to disaster, we, for the time being at least, favor gridlock.

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Glory.

You see, whether Barack knows it or not, the problem that America is having with capitalism is not with capitalism *per se*, but with the fact that capitalism does not work well in the absence of a moral framework. We have said this over and over again in these pages over the years. We put it this way in a piece entitled “Some Thoughts on Capitalism as the Asian Meltdown Proceeds” published over ten years ago on January 14, 1998.

The point here is that capitalism, as we know it today, was formed in Western society, within the framework of the Judeo-Christian ethic. This framework helped keep its natural predatory aspects from deteriorating into a totalitarian nightmare, while the system of laws [facilitating capitalist enterprise] . . . slowly came into being. And, like it or not, it is the combination of these two today, law and a time honored body of moral and ethical beliefs, that keeps capitalism functioning smoothly in Western societies. One without the other would be disastrous.

Adam Smith, who first identified and explained the principles of capitalism, was acutely aware of this. Indeed, both of his major volumes on the subject, *The Theory of Moral Sentiments* and *The Wealth of Nations*, are filled with admonitions that corruption among businessmen was the greatest threat to the social and economic benefits of free markets, and that a combination of law and a moral society were necessary to protect against this threat . . . ”

Someday, some enterprising graduate student in economics will, we imagine, discover that there is a correlation between corruption and economic cycles; that, for example, the peaks and valleys are more pronounced in a corrupt environment; that the duration of the

cycles is more erratic; that the recovery periods from downturns are longer. And, most importantly, that the solution to reviving a corrupt economy isn't to pour more money into it.

Who knows, by the time this enterprising student gets around to the task, he or she might not have to use Asian nations as an example. He or she might be able to witness the phenomena right here at home.

Now, one could argue that the United States is not lacking a solid moral framework, that the structure has simply changed over the years in order to accommodate different definitions of morality. But Adam Smith was not talking about a flexible, post-modern moral system in which, to borrow a phrase from Alasdair MacIntyre, the term “this is good” has come to mean nothing more than “Hurrah for this!” Smith was talking about the necessity of a moral system that clearly distinguishes between good and evil based on the traditional, Judeo-Christian understanding of these terms. And, as we said earlier, this *sine qua non* for a smoothly running capitalist system is as rare today in the high circles of government and commerce as the dress fedora.

Yet, pundits and journalists and politicians and ordinary Americans can't seem to figure out “what is wrong.” There is much talk about the need for more laws, more regulations, and more government oversight as each new scandal emerges in government, in business, and increasingly in both. But it never seems to occur to anyone that the problem is that the nation no longer demands or even expects honesty and integrity in its leaders, whether in the business community or government.

The result is exactly as Adam Smith said it would be. Or, if you prefer, it is exactly as Machiavelli, the quintessential advocate of strong central government, said it would be in *Discourses*, when he noted that just “as the observance of divine institutions is the cause of the greatness of republics, so the disregard of them

produces their ruin; unless it be sustained by the fear of the prince, which may temporarily supply the want of religion.”

Indeed, even Nietzsche, a Godless philosopher, argued throughout his works that without a belief in God the public morality must, in the long run, finally collapse into either anarchy or tyranny—most likely into anarchy followed by tyranny.

Yet, Barack believes that the solution to the problems that the breakdown in public morality has caused is socialism, a quintessentially amoral governmental model. As we said earlier, this is madness.

And this brings us to our other contention, stated above, and which we have also discussed numerous times in these pages over the years, namely that democracy, *as practiced in the United States today*, is another major factor in the mess in which the nation finds itself.

You see, there are different forms of democracy. The most pernicious of these is what Madison described in Federalist 10 as “pure democracy,” which assigns overwhelming weight to the will of the majority. Under such a government, Madison noted, “there is nothing to check the inducements to sacrifice the weaker party or an obnoxious individual. Hence it is that such democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property; and have in general been as short in their lives as they have been violent in their deaths. Theoretic politicians, who have patronized this species of government, have erroneously supposed that by reducing mankind to a perfect equality in their political rights, they would, at the same time, be perfectly equalized and assimilated in their possessions, their opinions, and their passions.”

In order to avoid the difficulties associated with “pure democracy,” as described Madison, while retaining the underlying notion of “government by the people,” the founding fathers designed what they described as a “republic,” which contained a series a checks and balances designed to “refine and enlarge the public

views, by passing them through the medium of a chosen body of citizens, whose wisdom may best discern the true interest of their country, and whose patriotism and love of justice will be least likely to sacrifice it to temporary or partial considerations.”

Slowly but ever so surely, over the ages, the checks and balances that the founding fathers wrote into the Constitution have been beaten the ground, and the faith they had in the “patriotism and love of justice” in those who would interpret and implement the will of the people has been betrayed. And the result has been that the worst elements of the “pure democracy” that Madison and his colleagues feared have materialized.

As with the problems associated with capitalism, Barack’s cure for the problems associated with democracy is socialism. Once again, his cause is noble. Something must be done. The mess speaks for itself. However, once again, the means that Barack proposes to remedy this situation is insane. It will destroy the country. Gridlock would be preferable until sanity can be restored and, to borrow a phrase from Federalist 10, “a republican remedy for the diseases most incident to republican government” can be found.

If, on the other hand, Barack succeeds in applying his socialist remedies, the country will, as we said earlier, be destroyed. How this would likely transpire is a topic for a future article. In the meantime, we’ll close with the thoughts of Douglas Jerrold on the subject, from the book cited in the above “They Said It” section.

The system will fail not because socialism, per se, is unworkable, although it probably is, but because it certainly cannot be combined with the welfare state. There is no balancing factor. If the electorate so determines, we shall have socialism in our time, but in that even the welfare state will go, either in a vast inflation which will reduce its benefits to chicken food, or in a deflation which will place and retain millions of people out of work. In that event

the political consequences would be revolutionary, of necessity, since there is no road back from socialism to the free enterprise system.

## THE BUREAUCRATIC STATE IN ALL ITS GLORY.

It's interesting sometimes how some seemingly unimportant stories leave a stronger impression than the headline makers. President Obama spent last week schmoozing with world leaders; breaking protocol at Buckingham Palace; apologizing to the world for his homeland, the nation he now ostensibly governs; playing Jimmy Carter to Dmitry Medvedev's Brezhnev; and not so subtly threatening American bankers with populist nastiness. Yet the story that struck us most had nothing whatsoever to do with any of the above. It had to do, rather, with a hometown hero, thousands of miles away from all the G-20 fun. The *Omaha World-Herald* explains:

Most days, Danny Shallenberger says, when he and his son come home from work, there's not much to tell his wife about their day. Monday was another matter. The conversation would go something like this: "Not much. We just rescued somebody out of a burning building." . . .

Shallenberger, 52, and his 31-year-old son, Daniel, had just gotten haircuts at Great Clips after an early finish to the workday when they drove past the burning Blondo Crest Apartment building [in Omaha, NE] about 6:15 p.m.

Shallenberger said they whipped their van in a U-turn on Blondo Street and pulled into a parking lot. They ran inside and began pounding on doors on the basement, first and second floors. No one answered.

Back outside, someone told them there was a "little old lady" in one of the basement apartments. As they looked down at the apartment, the curtain parted and 94-year-old Mildred Gardner peered out. She had been listening to her television and hadn't heard the commotion, she later told them.

The two men could see the flames above her, working their way down the building. "She looked out with this little puppy dog face with flames going above her head," the younger Shallenberger said. "That's when you just run in."

Why did this story strike us? Other than human interest, of what note is this to those of us who are most interested in government, politics, regulation, and their cumulative effects on the markets? Well, to be perfectly honest, that's a little difficult to explain. On its own, the story is largely irrelevant, except to the Shallenbergers, Mildred Gardner, and her family, of course. It's only in comparison to another, similar yet entirely different story, that our interest makes any sense. And fortunately, for us, such a story exists and also took place last week, this time much closer to G-20 festivities. From *The Times* of London:

A pregnant woman, her husband and their three-year-old son were killed in a house fire early yesterday as police who arrived before the fire brigade prevented neighbours from trying to save them. The woman screamed: "Please save my kids" from a bedroom window and neighbours tried to help but were beaten back by flames and were told by police not to attempt a rescue.

By the time firefighters got into the house in Doncaster, Michelle Colly, 25, her husband, Mark, 29, and son, Louis, 3, were dead. Their daughter, Sophie, 5, was taken to hospital and believed to be critically ill.

Davey Davis, 38, a friend of the family, said: “It was the most harrowing thing I have ever witnessed. Michelle was at the bedroom window yelling, ‘Please save my kids’ and we wanted to help but the police were pushing us back and not allowing us near. We were willing to risk our lives to save those kiddies but the police wouldn’t let us.

“Tempers were running very high, particularly with the women who were there, but the police were just saying we have to wait for the fire brigade because of health and safety.

“There were four or five police officers. They were here before the fire brigade. We heard the sirens and we came across to help but they wouldn’t let us.

Now, we imagine that you can all see where we’re going with this: In the good and wholesome, still not entirely governmentally run America, people run into burning buildings to save old ladies. In the formerly good and wholesome, but currently nanny-state-addled Britain, people, including pregnant mothers and small children, are left to burn to death, because the “health and safety” brigades think it is more important to follow protocol than either to be brave themselves or to allow others to be brave. America, good. Britain, bad.

Is that fair? Is it reasonable to conclude anything based on two examples? Can or should Americans revel in their bravery? Is this “proof” of anything?

To be honest, no. But the story is emblematic. Over the past couple of years, the British spirit, once among the most admired and the most feared in the world (“stiff upper lip,” and all that), has gone soft. The character of the “people” as a whole has changed, and we suspect that there is a simple and unsettling reason.

Roughly a year-and-a-half ago, you may recall, we noted a similar story from Great Britain, which had similarly deadly results. According to the BBC, a

little girl had fallen into a 6-foot deep pond, and her ten-year-old brother had jumped in after her, to save her. Unfortunately, after saving her, the boy himself began to struggle and was at risk of drowning. Fortunately, there were a handful of police officers (or Police Community Support Officers) on the scene. Unfortunately, as the BBC put it, these officers “did not enter the water” and did not even try to save the boy. Tragically, he drowned. Unbelievably, the officers’ superiors were proud of them and declared that they had followed protocol to the letter, given that they were not formally trained to handle such a situation and thus could have wound up making things worse – though clearly not for the dead boy.

Six months before that, we discussed the capture of 15 British sailors and marines by the Iranian navy and the exploitation and torture of those Brits by the Mad Mullahs and their henchmen. The incident, we wrote, reflected poorly on the Iranians, who, twenty years later, were still playing the same old tiresome games. But it reflected even worse on the Brits, who not only did not engage their would-be captors (for fear of “escalation,” apparently) but quickly and readily submitted to the Mullahs’ demands that they prostrate themselves before a global television audience and “confess” to their crimes. “It would appear,” we wrote, “that the Brits have lost the will to fight for their civilization.”

In a piece last week for *National Review Online*, Jay Nordlinger went back a few years (nine to be exact) to drag out the case of Steve Thoburn, who is also known as “the metric martyr.” As his nickname suggests, Thoburn was a British grocer who, as Nordlinger put it, “gave his customers a choice: Either they could buy their goods according to metric weights and measures – liters, grams, and so on – or they could buy them according to British weights and measures: gallons, ounces, and the like.”

Naturally, Thoburn ran afoul of British law, which forbids the denomination of sales in the British (Imperial) measures. He was convicted two years later of violation of the Weights and Measures Act. Nordlinger wrote: “I asked David Pryce-Jones, who

was at home in London, ‘How could the British people let this happen? I mean, it’s *their system!*’ And he said, in essence, ‘The question is whether the British people still live here.’”

Also last week, the inimitable Mark Steyn discussed a newer but equally ridiculous British law. To wit:

Did you hear the one about the queer, the Muzzie and the pre-op tranny?

No? Well, you’re unlikely to anytime soon. The British government, fresh from recent proscriptions on religious and racial “hatred”, is pushing ahead with legislation that will criminalize homophobic jokes.

I’ve been trying to recall the last time I heard a homophobic joke in a public forum. You have to go back a ways. At Vegas, Dean Martin used to have a bit of business where he’d refill his tumbler and ask Frank, “How do you make a fruit cordial?” And Sinatra would go, “I dunno. How do you make a fruit cordial?” And Dino would say, “Be nice to him.” . . .

But these days, no matter how cordial you are, it’s never enough.

Robin Page, the chairman of Britain’s Countryside Restoration Trust and a columnist with *The Daily Telegraph*, spoke at a rally opposing the government’s anti-hunting laws at a Gloucestershire country fair in 2002. “If you are a black vegetarian Muslim asylum-seeking one-legged lesbian lorry driver,” he began, “I want the same rights as you.” A jocular reference to various approved identity groups by a member of an unfashionable one (country folk). Mr Page was subsequently arrested and, upon declining to answer questions without

the presence of counsel, thrown in a cell. Don’t worry. He eventually cleared his name – after five years.

Her Majesty’s Constabulary: The joke police – in every sense.

Sadly, we could go on. But we think you get the point. A few weeks ago, we noted a report in *The Telegraph* of London, in which the paper had contacted the State Department for comment on some or another broach of diplomatic niceties regarding the “special relationship” between the United States and Britain and was told by an unnamed Obama administration official that “There’s nothing special about Britain. You’re just the same as the other 190 countries in the world. You shouldn’t expect special treatment.”

You know, we reeeeeeaally hate to agree with anything that the Obama folks say, but in a very real sense, this guy was right. There is nothing special about Britain anymore. There may be something special about the English, but as David Pryce Jones said, they don’t live there anymore. It is very difficult to see any resemblance whatsoever between Great Britain today and the country that once possessed an empire over which the sun never set; the country that spread individual rights and representative democracy throughout the globe; the country that developed the first global military and used it to bring human rights and dignity to many who would never have known them otherwise; the country that ended the global slave trade; and the country that withstood the most intense three-month daylight bombing campaign in the history of mankind.

Once, Americans had a special relationship with the Brits. But today, the Brits are closer in character and temperament to the rest of Europe than they are to the United States, at least for the time being.

If you look at all of the aforementioned incidents, one thing that they all have in common is an absurd and tragi-comic deference to procedure and protocol. This, of course, is one of the characteristics of both a post-modern society and the bureaucratic state. As we

have noted countless times before, when a traditional more system is destroyed, the vacuum created is quickly filled. And as Alasdair MacIntyre noted, that void is filled with, among other things, an irresistible reverence for the state and its bureaucratic minutiae. Or, in other words:

[Politics in the post-traditional realm will] oscillate between a freedom which is nothing but a lack of regulation of individual behavior and forms of collectivist control designed only to limit the anarchy of self-interest. The consequences of a victory by one side or the other are often of the highest immediate importance; but, as Solzhenitsyn has understood so well, both ways of life are in the long run intolerable. Thus the society in which we live is one in which bureaucracy and individualism are partners as well as antagonists. And it is in the cultural climate of this bureaucratic individualism that the emotivist self is naturally at home.

As things stand today, Britain, like much of the rest of the EU, is obsessed with rules and formality and has elevated these beyond mere practical necessities to moral imperatives. And they have done so at the expense of more traditional moral tenets. Is it more moral to let a boy drown while following the rules and protocols or to violate said rules and try to save him? Is it more ethical to let a family, including a child and a pregnant mother, burn to death, while following the rules, or try to save them? Is it better to capitulate to a hostile foreign government, while following procedure or to behave as Englishmen and deny the Mullahs their propaganda opportunity?

And finally, is it really somehow in the best interest of society to mobilize the power of the state to beat into submission any poor shlub who happens to deviate from the “accepted” forms of communication? Maybe we’re wrong, but we thought that the left admired and, indeed, lionized the off-beat and the

non-conformist. Turns out that that’s only true if the non-conformity in question actually conforms to the new norms and the new standards. Meet the new boss; same as the old boss – only with an entirely different set of moral standards to be offended, an even greater sense of self-righteousness, and a shockingly brazen willingness to subdue anyone or anything that gets out of line.

Sure, some forms of communication are offensive. But so what? Is it really “moral” for the state to regulate thought in order to ensure that no one’s feelings are hurt?

We know how the Brits, as a society, have chosen to answer this question and the others posed above. All that is left is to wonder how the Americans will.

Right now, we suspect that in this country the Shallenbergers are the rule, rather than the exception. But that will not necessarily always be the case. As countless commentators have noted in discussion of many of the above cited calamities, the British character changed quickly, almost over night. And almost before Margaret Thatcher was gone from public office, the Brits had traded their stiff upper lips for a national cathartic breakdown in memory of a princess whose singular distinguishing characteristic was that she was better looking than the rest of the royals.

It could happen here. And, sadly, we suspect that it will, eventually. Last week, when an unhappy Vietnamese immigrant named Jiverly Wong murdered 13 people at an immigration center in Binghamton, New York, police arrived on the scene less than five minutes after the assault started. But they didn’t enter the building until nearly an hour later. Local bureaucrats have defended the police action by noting that all the shooting was over by the time they arrived, so any delay in entering had no effect on the final outcome or the final body count. Of course, that misses the point entirely. No one knew that then, which is to say that the desire to follow rules and wait for the SWAT team took precedent over the promise to “protect and serve.”

Again, we suspect that such rule-bound fecklessness is less common here than in Britain (and elsewhere in Europe), but we also suspect that this will not always be the case. As we have noted time and time again, the United States appears to be heading ineluctably in the same direction as the rest of the West, toward the eventual triumph of the bureaucratic state.

Prior to the last few months, the only hope we held out to prevent this seeming inevitability was the prominent position of religion in this country and the tangible impact of Catholic and Evangelic conservatism on the lives of many Americans – a condition that might at least postpone the ascendancy of the bureaucratic moral code.

Today, we have another hope, slight though it may be. If President Obama continues to accelerate the nation's journey down this road, it is possible that enough Americans will recognize the depressing nature of the final destination and insist that the brakes be applied. For the record: *none of this is Obama's fault*. He is not taking this country any place it was not already going. He is simply trying to move it there more quickly. But if he overreaches in this effort, as we suspect he may, then he could change the course of the nation.

And *that* would be change that we could believe in.

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