

Kenneth McDonald



America's Two Elites

In a recent survey, *Freeman* readers were asked whether they were optimistic or pessimistic about the future of freedom in America.

The fact that the question should have been asked is disturbing. Yet the seeds of doubt are being sown.

A casual reader of Canadian newspapers, in which the United States is often portrayed as bellicose and predatory, might conclude that freedom there was selective: plentiful for the rich; scarce for the poor. A regular listener to and watcher of the Canadian Broadcasting Corporation's radio and television programs would be left with a stronger impres-

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sion: that the U.S. was the chief threat to world peace and, by implication, to free people everywhere.

These persuasions of the media are not peculiar to Canada. In the March issue of *Chronicles of Culture*, Paul Hollander noted, after traveling in Western Europe, that "Highly educated people appeared to entertain a view of the American political system more appropriate to the personal dictatorship of Qaddafi of Libya or Kim Il-Sung of North Korea than to a system in which 'the chief executive' is subject to a vast network of controls, restraints, and countervailing forces."

The fact that America gets a bad press abroad may be due to the fact that it often gets a bad press at home. Negative reporting by U.S. newspapers, magazines, wire services, radio and television networks finds its way into their equivalents throughout the world.

The nation in which freedom of speech is as fiercely treasured as breathing tells the world everything it does. The good and the bad, the successes and failures, all are recorded. Nothing is hidden, or at least not for long. Sooner or later, corruption is exposed, even the corruption of power.

The freedom that makes all the recording possible makes the U.S. an inviting target. Her domestic detractors supply the ammunition to reinforce the attacks by her foes.

Freedom in America

How does this affect freedom in America?

It deflects attention from America's basic strength: the freedom of her citizens to exchange the product of their mental and physical skills. Indeed that freedom is contested by domestic critics who claim that the product, and the capitalist system that enables it to be produced, conflict with their ideas of "social justice."

No account is taken of the process through which the product comes into being. Instead, the state, whose role in a representative democracy is to uphold the law before which all citizens are equal, has put its thumb on one side of the scales of justice. The many, who constitute potential majorities in elections, are preferred to the few, who don't.

This inherent flaw in representative democracy is paradoxical. Democracies were formed by people who saw that the good of the many was advanced by individuals of which the many consists. Not everyone succeeds. But they who do, bring benefits to the rest. Whether as employers or inventors, engineers or philosophers, they add something that was not there before.

They owe their success, in large part, to the freedom with which democracy surrounds them. They are an elite, but a fluctuating one, an elite whose composition changes as

individuals make their separate ways up or down the ladder.

The paradox is that democracy develops two elites: the elite that produces, in freedom, the sources of betterment; and the elite that gathers to itself, also in freedom, the power to control other people's affairs.

The second of those two is not confined to democracies. In the extreme form that characterizes arbitrary rule, it has controlled most of the world's peoples throughout history. Today, and even after classing some marginal countries on the side of democracy, more than 60 per cent of the world's people are subject to arbitrary rule by elites.

(Whether the rule is exercised by a personal dictatorship, as in Libya, or by a self-perpetuating oligarchy, as in the USSR, it needs an elite to prop it up. The elite is rewarded with favors beyond the reach of the ruled. The desire to preserve elite status, and to make it hereditary, traps elites and rulers alike in the conspiracy.)

The fact that, despite the Western media, and despite the propaganda of their own rulers, people from the 60 per cent try desperately to escape to America is a mark for optimism.

Even if these refugees know about the second of America's two elites, those who control other people's affairs, they know also that its members will not knock on their doors in the night.

Nevertheless for Americans, and for all who wish America well, it is that second elite which calls for examination.

It consists for the most part of well-meaning people who would defend freedom as stoutly as any. Indeed it may be their desire to defend the freedom of the less fortunate that impels them to control people's affairs. Former Canadian Prime Minister Pierre Elliott Trudeau expressed the sentiment when he wrote (in 1958) "I believe in the necessity of state control to maximize the liberty and welfare of all, and to permit everyone to realize himself fully."

The Basic Contradictory Tenets of Socialism

The difficulty that confronts all self-styled democratic socialists, or social democrats, is that their tenets are contradictory. Their philosophy requires the state to control the economy, i.e., to deny citizens the economic freedom which is inseparable from political freedom, while claiming to keep the latter intact. They are condemned to a condition of what George Orwell called "Double think [which] means the power of holding two contradictory beliefs in one's mind simultaneously, and accepting both of them." (1984)

That does not make them any the less dangerous. Their adherents are prey to a trap of a different kind. Bewildered by visions of a welfare state

in which the sun shines every day upon smiling and contented people, they fail to see that taking without giving in return is a one-way street. At the end of it, there is little left to take.

Like drug addicts, who seek temporary relief at the risk of lasting damage, they take what the state offers, yet see no relation between the scale of its offerings and the depreciation of the currency in which the offerings are expressed.

The resulting impoverishment leads the elite to call for more interventions by the state whose interventions caused it. But their philosophy prevents them from admitting the connection between the two.

This, then, is the paradox of freedom: that an elite which freedom spawned poses the gravest threat to it.

For there is no doubt that, unchecked, the work of that elite will lead to more and more of the state's encroachments until the individual's liberty, far from being maximized, will fast diminish.

Warnings that these growing encroachments have only one end—in state control of Soviet-style dimensions—are laughed out of court. America, after all, is a democracy.

It is true that democracy is strong. It has the strength of people who partake of it willingly and would as willingly defend it, if necessary by arms.

But the defense it needs most is against ideas that would bring it down. The elite that would control affairs at home, and the elites that do control affairs in the dictatorships, differ only in degree, not in kind.

The foreign observers' view of the United States of America, referred to earlier, persuades them that the two superpowers are much of a muchness, both too big and powerful, both dangerous. Superficially, the sinecures of public office in Washington, and the perquisites that accompany them, are not dissimilar from those that attend the functionaries in Moscow.

What seems to escape the observers is this palpable difference: that the Soviet government goes to barbarous lengths to stop its people from getting out; the U.S. government tries vainly to stem the flow of people who are trying to get in. The promise of freedom that brought the millions to America in the past brings them still.

Nevertheless the foreign observers have a point. America is not threatened so much by the Soviet Union as by the pressures that confronting the Soviet Union imposes upon America's institutions.

Confronting a state whose purpose is to expand its influence by military means is no light matter. Nor is it limited in time. Mounting a corresponding military defense, perhaps

for generations, imposes a heavy burden on the economy. Moreover, the allocation of American resources to military purposes, and the accompanying growth of government to gather and monitor those resources, will accentuate similarities between two political systems that are in fact distinct.


Democracies and dictatorships are not ordinary foes. Between one and the other no compromise is possible. The first thrives on freedom, the second dare not allow it.

The Importance of Optimism

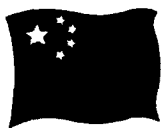
Freedom is the issue. The freedom to exchange ideas, and the products of ideas, is the basis of America's strength; denial of that freedom is her enemies' weakness.

America, too, is weakened by the elite that encroaches on freedom at home. Just as defense against the foreign enemy is rooted in freedom, so is the domestic enemy vulnerable to the ideas that freedom generates.

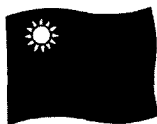
The challenge is to tailor those ideas, and disseminate them, in ways that will counter, and discredit, the forces that threaten freedom.

To return to *The Freeman's* question, optimism is a component of freedom. It was optimism that brought the millions to America, and it is the freedom they found and prospered from that will secure America's future. 

Dean Russell



Living in Two Chinas



THE economy of the Republic of China on Taiwan is largely based on private ownership and production-for-profit. The officials are elected and are responsible to the wishes of the people in general.

The economy of the communist government on the mainland, the People's Republic of China, is based on total government ownership of all resources and all means of production. That system of social ownership, i.e., planned production by everyone for the benefit of all, necessarily requires a dictatorship to run it.

While the communist armies clearly won the long war in China between the two sides in the 1940s, their current leaders are now begin-

ning to abandon the economic system they fought for and have followed since 1949.

The communist leaders on the mainland are now increasingly endorsing the basic economic idea that free-market production guided by the desire for profit is (in most areas of daily living) superior to government-directed production for the general welfare. That development deserves the serious attention of all of us who value human freedom. Here's why:

Along with a trend toward the market economy, a different form of government necessarily begins to emerge in practice. For when a people are free to choose as consumers, a large shift in authority must necessarily begin to flow from the central government to local groups and individuals who determine what to

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