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THE NEW FASCISM

Richard W. Rahn

Chances are we will be less free in the coming years because of a rising statist authoritarianism primarily emanating from Europe. The increasing assault on financial privacy is an example of this new threat to individual liberties. Financial privacy, a fundamental liberty which is necessary for individuals to protect themselves from corrupt or despotic governments, kidnappers and other assorted criminals, is increasingly attacked by the European Union, the OECD, the UN and even elements of the US government. Proposals from these organizations would limit or eliminate all financial privacy. One of the most odious of these is a proposal by the United Nations to create an International Tax Organization that would require the US government to share detailed personal and business financial information on US citizens and others with UN member governments, no matter how corrupt. As a result, our 4th and 5th Amendment protections would be stripped away. Furthermore, this information could end up in the wrong hands, putting our lives and fortunes at risk.

The classical liberal (in the European sense) believes in small government, low taxes, and a minimum of government regulation, coupled with a stable currency (traditionally by the gold standard) and a strong commitment to the rule of law and individual liberty. In the US this is known as free market conservatism or libertarianism. The father of modern economics, Adam Smith (1723-90), was a classical liberal, as were the founders of the American Republic. The world is moving away from classical liberalism and traditional socialism, toward a new fascism.

Until World War I, classical liberalism was the dominant political ideology in Western countries. The trauma of the War shook people's faith in existing political order and institutions, particularly in Europe. Russia, just emerging from feudalism, was seized by the communists. Socialists and fascists began to acquire political power. The Depression, although caused by poor government fiscal and monetary policy, made people hunger for the stability and order the statist offered. Hitler's National Socialism (Nazism) was a particularly virulent form of this new statism.

While most of the media and political class refer to communism and socialism as leftist ideologies and Nazism and fascism as ideologies of the far right, these ideologies are merely different forms of statism. Socialists believe in government ownership of all economic entities and land. Fascists realized that government did not have to own enterprises in order to have total power over them. Thus, fascists tend to be extremely authoritarian and comprehensive regulators. Both ideologies are based on the subjugation of individual liberty and free markets by the agents of the state.

The true political and economic dichotomy is statism versus libertarianism. Communists, socialists, fascists and welfare state advocates are, to varying degrees, statist. For example, they believe that those in government have the right to engage in activities at the expense of the individual for the broader "good of society" as they define it. The classical liberal, free market conservative, or libertarian believes that each of us possesses individual rights that cannot be denied by the state. Moreover, every individual has the right to be left alone to pursue his own interests as long as he does not harm others.

Few people are pure statist. For instance, since the fall of Russian communism, few people in the world think that all restaurants are best run by the government, and most people of a libertarian bent think traffic signals are a good idea. By the 1980's, all but the most slow-witted or dense could see that socialism and communism were failures.

Libertarianism then seemed to be making a comeback with the election of Margaret Thatcher and Ronald Reagan, and the Nobel Prize in economics awarded to people like F. A. Hayek and Milton Friedman. Around the world, tax rates began to fall, privatization replaced nationalization, and free trade again became fashionable. Even America's President Clinton, from the party of the left, announced that the "era of big government is over."

Then, the pendulum began swinging in the other direction. Statists took control in France, Germany, and the UK. While they call themselves socialists, they act increasingly like fascists and no longer seek to own the factors of production. Instead, they seek to regulate and control all private activity. The unelected bureaucrats who run the European Community have increasingly become micro-managers of both business and their own citizens with a never-ending stream of regulations that strip away individual liberties, including freedom of speech, and stifle creativity and initiative. The result has been low productivity and real income growth, and a stagnant labor market. Some have argued that the French rejection of Le Pen and the election of Chirac were defeats for the fascists. But, the fact remains that the mainstream European "conservative" parties are as fully committed to the increasingly bureaucratic state residing in Brussels as are the socialists.

The US has not been totally immune from these pressures. Despite the election of a "compassionate conservative" as president, federal spending is again growing at a faster rate than national income, even excluding the new military spending, in large part due to a bipartisan effort to enlarge government. The laudable effort made in the late 1990's to get rid of most farm subsidies is now in the process of being thrown out. Free trade is under attack and protectionism is again emerging, and the recent "campaign finance reform" legislation is a direct attack on free speech.

The new fascism is not just a danger for Europeans; it is a present danger for us.

Richard W. Rahn is a senior fellow of the Discovery Institute and an adjunct scholar of the Cato Institute.