

# RAFE'S <sup>ROUND</sup> UP

## **James Buchan, 'The Discreet Return of the Bourgeoisie', *The Spectator*, 1 January 1994.**

Buchan suggests that the struggle between rentiers and all those who hate them, notably big-spending governments, has defined the course of European history for two centuries. 'The score so far is: Rentiers: 1, Debtors (inc central govt.): 1, with the rentiers effortlessly taking the 19th century, but stumbling badly in the 20th'. Inflation is the mortal enemy of the rentier, the Maxim gun that devastated so many middle class investors after WWI, the creeping disease that undermined the efforts of savers in the post-Keynesian era.

Now the small investor and property owner, the bourgeoisie rentier capitalist, is making a strong comeback. This might appear surprising because according to Buchan the low point for the rentier was as recent as 1989 with the unification of Germany destroying the soundest currency on the Continent, the collapse of the housing market and unprecedented losses by Lloyd's of London. 'But the darkest part of the night is the hour before dawn. Already the rentier, in spats and gaiters, was tip-toeing towards Bethlehem'. Low inflation is a key factor, others are 50 years of peace (governments find it easier to destroy the savings of the nation in wartime), reduced rates of income tax and a saving spree by those sections of the English people who are in a position to do so.

The return of the rentier is a cruel insult to those who hate thrift and its rewards (in favourable circumstances) but for the fortunate bourgeoisie it heralds an era of leisure and cultivation. Buchan predicts that many people will start work later (the average age for university graduation in western Germany is 30) and stop working earlier (say 55) making up for the loss of salary with rents.

## **Cathy Young, 'Trip to the Market', *Reason*, August/September 1993.**

Left-wing western commentators play up the Russian problems, claiming that the reformers are trying to move too fast (too much shock and not enough therapy). In sharp contrast, polls, especially those among the urban population in Russia, show that the number of people wanting faster economic reform exceeds that of people who want slower change or none at all.

Many of the negative stories are true: private business so far has concentrated on trading, rather than making things. Get-rich-quick artists abound and criminal activities (business-related shootings, car bombings, arson) are common on the fringe of the

market. Despite all this there are many signs of small traders making their way with increasing confidence.

Opinions are mixed on the success of the government privatisation effort. Over half of the small companies in Russia have been privatised (some 60,000), but the privatisation of some major enterprises has stalled as local functionaries capitalise on Yeltsin's apparent weakness early in 1993.

Among some of the political groupings there is strong support for market-oriented reforms. The Social Democratic Party advocates German-style welfare but recognises the need for the 'goose' of capitalism to be healthy so that it can lay the 'golden eggs' of welfare.

'The new Russian revolution has succeeded, to a remarkable degree, in creating a new class with a stake in continued market reform and democracy: the entrepreneurs, the owners of privatised properties, the private-sector employees, the farmers on 200,000 individual and family farms, the boys and girls selling 'erotic gazettes' in metro stations. Sleazy or heroic, these are people who possess the instinctive conviction that their lives are their own, and who will not go gentle into that good night'.

## **William Kristol, 'A Conservative Looks at Liberalism', *Commentary*, September 1993.**

With the victory of Bill Clinton, liberalism completed its long march through the institutions which govern America. Now in Kristol's words, liberalism is everywhere dominant and altogether bankrupt. Despite the dominance of socialist ideas among the writing and chattering classes there is ample evidence that liberalism of the socialist variety has not captured the hearts and minds of the people. For example, by 69 to 22 per cent people agreed that the federal government creates more problems than it solves.

As for the bankruptcy of liberalism, this is attested by no less a figure than Hilary Clinton in her University of Texas speech. 'We are in a crisis of meaning...We lack at some core level meaning in our lives...We need a new politics of meaning...We need a new definition of civil society'. Kristol points out that the 'we' refers to liberals: for liberals the answer lies in reshaping society, not in re-examining their own obsessions.

Kristol sees a need for a bold new conservatism to step forth and occupy the moral, intellectual and spiritual vacuum left by the failure of liberalism. Where once liberalism could infatuate the young by depicting conservatism as an 'old order', the dreaded status quo, now it is liberalism which constitutes the old order. Thus by a role reversal, 'conservatives can become the exponents of light and air, of free and open debate, of demystification, and even of political and intellectual liberation. The bankruptcy of liberalism invites the possibility of a new, governing conservatism'.

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