

Denmark, the Euro, And Fear of the Foreign

By HENRIK BERING

WHEN READING ABOUT their country in the international press, most people like to see themselves described in a favorable light. In the case of Denmark, the national self-image includes the Royal Ballet, Hans Cristian Andersen, fairy-tale castles, a popular queen, and a tolerant and well-educated population. A classic poster in Copenhagen shows a policeman holding up traffic to allow a duck and her ducklings to cross the street. So when the average Dane suddenly finds himself portrayed not as the easygoing humanitarian of his self-perception, but as timid, small-minded, and racist to boot, he is likely to choke on his pastry.

This has been the case lately, as Denmark found itself front page news worldwide in connection with its referendum Sept. 28 on whether to give up its national currency, the krone, in favor of full participation in the European Monetary Union. In a closely watched vote thought to provide auguries for the future of the troubled euro, which has lost more than 30 percent of its value against the dollar since it was introduced in January 1999, Denmark voted “no,” 53 percent to 47 percent.

According to a national survey taken after the vote, 37 percent of those who voted “no” favored less integration with the rest of Europe, which is now well embarked on a project of greater transnational integration not only through the European Central Bank in Frankfurt but especially through the European Union in Brussels. Twenty-three percent of those voting “no” explicitly cited a lack of confidence in the European Union. But another 33 percent gave as their reason for voting “no” their concern about preserving

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“Danish identity.” And that, especially, is where the international trouble begins, because concerns about “national identity” do not sit at all well with the cosmopolitan sensibility prevalent in the capitals of the new Europe.

This is not the first time Danes have taken to the polls to deliver a rebuke to full-speed-ahead European integration. In 1992, Danes voted “no” even more narrowly to the Maastricht Treaty, which created the EU. Then, the foreign reaction was very different. Danes were treated like heroes for sending a message to the politicians in Brussels that they were out of step with the populations of Europe and going too far towards centralization. By their vote, they forced Europe to make some useful corrections in its political ambitions, which in turn paved the way for Denmark’s approval (with certain reservations) of the Maastricht treaty in 1993.

This time, however, the analysis has been unforgiving. An article in the *New York Times* shortly before the vote averred that the Danes had become suspicious, inward-looking, and fearful of outside influence, including the EU’s. Danes have grown worried about open borders and hordes of immigrants for whom Denmark is “a giant buffet table” asking everybody to come and help himself, as one politician put it. The German weekly *Der Spiegel* was even harsher, claiming that Danes are more racist than the Austrian nationalist leader Jörg Haider in their hatred of foreigners: “The thoughts that recently brought Freedom Party leader Jörg Haider into European discredit have partly become the law in Denmark.” Whereupon the magazine, in typically breathless style, went on to offer a nightmarish description of the conditions in which immigrants supposedly live in Denmark. The negative publicity this time has been especially painful for a nation that for decades has been proclaiming the wonders of its welfare state and regularly lecturing others, notably the United States, on how to deal with everything from racial problems and poverty to Third World debt and energy conservation.

The euro campaign as proxy

BUT WHAT, really, does fear of foreigners have to do with the euro? On the surface, not a thing. And yet in the recent referendum, everything.

The referendum was meant to cement 18 years of Danish fixed-rate currency policy, whereby the Danish krone has been tied to the German mark (since January 1999, to the euro). Accepting the euro would mean lower transaction costs for Danish industry, lower interest rates, and an end to exchange rate uncertainty.

Support among Danish elite opinion was overwhelming. About 80 percent of Danish members of parliament were in favor — including not only the governing center-left coalition of Social Democratic Prime Minister Paul Nyrup Rasmussen, but also the main opposition parties, the Liberals and the

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Conservatives. In all, 46 of the country's 48 newspapers favored a "yes" vote on the euro, as did most trade unions and employers' organizations. Nor was this mere passive support. Danes were inundated with pronouncements in favor of the euro from officials of all kinds.

But there was a grave problem with the euro referendum — namely, that one would have to look hard for a more unsuitable question to put to a popular vote. It turned on the arcana of monetary policy and the murky world of central bankers. Currency questions are among the more rarefied aspects of economics, and these are not easily accessible to the man on the street. Moreover, a large part of the Danish population works for or is supported by the state, so their connection to the world of market economics has been severed. An often voiced complaint was that the public did not have enough information. That is nonsense. There was plenty of information, perhaps even too much.

So it was that rather than vote on something they did not understand, Danes turned the referendum into something everybody could have an opinion on. The euro question became a proxy debate about foreigners and the future of the Danish welfare state.

The most prominent of the antieuro crusaders was the Danish People's Party, under the flamboyant leadership of Pia Kjaersgaard. The People's Party demands a halt to all immigration and is opposed to participation in the EU. The party consists mainly of blue-collar workers and the elderly, many of them former Social Democrats who think their old party went too far on immigration. Indeed, the way some of them speak, one might get the impression that they think Africa starts at Krusaa, right at the German-Danish border. Notwithstanding the nativist sentiment, the party has neither historical nor organizational ties to fascist or neo-Nazi movements.

The People's Party presented the euro as a step towards further integration (which of course it is), and with it, the increased meddling in the internal questions of the member states, to the point of imminent repression of those daring to disagree with the Brussels line. People who expressed reservations about immigration would inevitably end up with dossiers on their subversive sentiments in some EU archive, party leaders alleged.

But the "no" campaign made for strange political bedfellows. Also staunchly opposed was the intellectual left. During the Cold War, the Danish left had two enemies. One was NATO and the United States. (Indeed, Denmark became known as a "footnote country" in the last years of the Cold War: No NATO policy statement was complete without a footnote expressing Danish reservations concerning what all other alliance members agreed to.) The left's other enemy was Europe.

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And since there has been no price to pay for being on the wrong side in the Cold War, the same people have just carried on their work in undermining the EU as if nothing had happened. The theme has been the same — the portrayal of the EU as a club of the rich. So was the strategy: the use of supposedly broad-based popular movements, in which members of the hard left occupy the key positions — vintage Soviet-front organization style.

Together, this odd grouping of left and right launched a scare campaign, propagating the myth that the Danish welfare state was somehow threatened by the introduction of the euro. According to the propaganda, faceless Brussels bureaucrats were set to strip the country of the generous social welfare system so many Danes prize as a necessary humane supplement to market capitalism.

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To the sharp and misleading attacks from the “no” side can be added an incompetent showing by the “yes” side. The Rasmussen government made all the mistakes a government could. Instead of a short and snappy referendum period, with sharply defined themes, the prime minister chose a seven-month marathon debate that allowed everything to be turned into mush.

As time progressed and a “no” vote looked increasingly likely, the prime minister became increasingly desperate. At the very last moment, the government pulled out all the stops, issuing guarantees on social welfare policy right and left. By the end, it was all but promising that the welfare state would continue as-is for eternity. The result was that Rasmussen looked cheap, willing to promise anything.

A development on the international scene also proved unfortunate for the “yes” side. The euro referendum coincided with sanctions brought against Austria, where the ultraright party of Jörg Haider had entered into a governing coalition with the conservatives. Without being in sympathy with Haider, who has made a number of appalling comments about the labor policies of the Third Reich and the Waffen SS, many Danes felt that an overly intrusive EU was ganging up on one of its members on an unfair and illegal basis — and one that would end up strengthening Haider rather than weakening him. The sanctions were dropped just before the referendum, but the damage to the “yes” side had been done. Swedish Prime Minister Göran Persson, whose country will take over the EU chairmanship from France at the end of the year, likewise hinted that he might focus his attention on Denmark: that a possible future center-right government with participation of the Danish People’s Party might trigger sanctions from other European countries.

Recriminations began immediately after the defeat. The woolly incompe-

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tence of the Rasmussen government bears much of the responsibility, but more generally speaking, the whole of the pro-EU side, including the Liberal Party and the Conservatives, deserve a share of the blame.

Rather than setting out their own vision of what Europe should become, they allowed themselves to be tricked into accepting the premises of their opponents — namely, that Europe is basically bad for you. They therefore spent an immense amount of time seeking to reassure voters that economics has nothing to do with politics, and that there would be no further integration — both of which assertions are patently absurd. This means they are caught out every time the EU conjures up some new initiative, good or bad.

As for the consequences for Denmark, this time, the country has gone a footnote too far. In the past, according to former Foreign Minister Uffe Ellemann-Jensen, Danish reservations about EMU were respected because it was felt that eventually Denmark would sign up with the euro. This is no longer the case. Denmark has shown that it really does want to limit its participation in the European venture.

Accordingly, it will become relegated to B-team status — to the relief of many EU members, who find the Danish attitude a right royal pain. Danes will now be regarded as a country of village idiots — quaint little people who engage in clog dancing and eat pork rinds, as one Danish paper put it rather bitterly.

As for the rest of Europe, the Danish referendum result will probably delay Sweden's joining the euro; EU skepticism there mirrors that in Denmark. Britain, where anti-EU sentiment runs even stronger, will also postpone its participation. The result will be a European Union in two speeds, in which core countries move ahead with common projects and the others are left behind. This scenario was precisely what the Danish government has long sought to avoid, out of the entirely plausible concern that it will mean less influence for the smaller countries.

The irony here is that the krone will, of course, still be tied to the euro. The only difference is that Danish policy makers will not have a say in the deliberations of the European Central Bank. In other words, rather than gaining influence over their own affairs, by having said “no,” Danes have lost it.

Immigration

THE REFERENDUM revealed a Danish electorate that is timid, cautious, and suspicious. In addition, it revealed that the Rasmussen government is singularly inept. The question remains whether the Danes are also racist, as the foreign newspapers suggested.

“In Denmark, you will find xenophobes just like you find them in other countries,” says former Foreign Minister Ellemann-Jensen. “But it is not the 53 percent of the population that voted no to the euro. Rather, 15 or 20 per-

cent, which of course we will have to deal with. But Denmark still remains a country where it is believed that one should treat each other and foreigners correctly.”

Denmark has, in point of fact, been in the vanguard of European efforts to integrate immigrant populations with the native-born. The country has a comprehensive law of integration that spells out the rights and the responsibilities of refugees and immigrants. When a foreigner is admitted to Denmark, he automatically qualifies for a host of benefits, including free health care, schooling, job training, etc. The state must also provide him with an apartment within three months of his acceptance. (Nor is immigration the only policy area that indicates Danish engagement with “others.”

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For example, Denmark spends 1 percent of its GNP on foreign aid, the highest per capita in the world.)

Rather than racism, Danish policy on refugees and immigration can be characterized by naïveté and good intentions gone sour. Much of the recent unpleasantness finds its root in the enthusiasm of Danish intellectuals in the 1970s and 1980s for Third World causes.

The Danish left transferred the almost mythical qualities that it had bestowed on “the worker” in the 1960s and ’70s to “the foreigner” in the 1980s and ’90s. The Third World foreigner was the innocent victim of Western exploitation, unspoiled by the crass materialism of the West, possessed of a more intuitive understanding of life, more in touch with nature, etc. The romanticized portrait allowed little room for the reality of the challenges of immigrant life and integration. And when reality asserted itself, disillusionment set in. Danish immigration policies are thus a cautionary tale of political arrogance — the belief that one can simply transplant people from very different parts of the globe and expect them to become instant Danes. Disillusionment is exactly what results when political desires and social engineering tendencies ignore experience and history and are suddenly confronted with the consequences.

The history of immigration in Denmark is short and recent. Like all Western nations, the population of Denmark has been graying. The birth rate remains too low to lift the burden of the aging baby-boomers. That creates a demand for more workers. After a start letting in so-called “guest-workers” in the booming 1960s, in the 1980s Denmark again opened up. Many people came from Turkey and Pakistan, others from the Middle East, including many Palestinians. Today, foreigners number 378,000, about 7 percent of the population of 5.2 million.

For a long time, it was received wisdom that the newcomers would assimilate. But Danes have found to their surprise and horror that this is not what

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has happened: Rather than assimilation, there have been anger and resentment amid regular culture clashes.

In the past, whenever local politicians who were saddled with the practical everyday consequences of government policy warned that things were going in the wrong direction, they were ignored or labeled racist. Today there is a dawning realization in Denmark that integration has failed. Indeed, two landmark reports prepared by the widely respected Rockwool Foundation, "Immigration in Denmark: International and National Perspectives" (1999) and "Failed Integration? The Immigrants' Encounter with the Job Market and the Welfare State" (2000), have described the dimensions of the failure. As an indication of the mainstream character of this new concern over integration, the latter includes a postscript by the economics minister, Marianne Jelved, whose party is the junior coalition partner in Rasmussen's government. This issue is one many Danes would prefer not to face, but that is becoming impossible.

Denmark has always had an underclass. But it was never "them" to the broader Danish "us." Now, thanks to relatively high levels of immigration combined with failed integration policies, Denmark has a new underclass set apart by and viewed in terms of skin color. If Danes had known their Tocqueville, which they did not, they would have known that this is a recipe for trouble.

Resistance to multiculturalism

THE FRUSTRATION LEVEL was clearly illustrated in the middle of the euro campaign, when the Social Democratic interior minister, Karen Jespersen, a former 1960s radical, suddenly engaged the debate on foreigners in Denmark. The minister suggested isolating refugees with criminal records on a "deserted island," and she further stated that she "did not wish to live in" a multicultural nation "where the cultures were considered equal."

The international reactions were fast and furious. Beate Winkler, the director of the European Center for the Monitoring of Racism and Xenophobia in Vienna, which had been heavily involved in the Haider case in Austria, stated that she regarded Jespersen's statements as "deeply problematical," even hinting that Denmark might be in for unfavorable mention in the center's yearly report. Winkler's pronouncement was followed by the judgment of a French member of the European Parliament, the Senegal-born Fode Sylla, who stated, "I have not seen coarser and more racially motivated ideas for a long time. Denmark is becoming worse than Austria in its treatment of foreigners."

The minister's choice of words on the desirability of a "deserted island" was indeed awful, conjuring up visions of the island fortress in *The Count of Monte Cristo* (escape is hopeless; the cemetery of the Chateau d'If is the

sea!). As anyone with even a passing acquaintance with the Danish legal and penal system knows, this is not how people are treated, no matter how criminal.

Yet what made the minister resort to talk of “deserted islands” was an unintended consequence of Denmark’s liberal refugee policies, according to which entry is granted to anyone who requests asylum at the border. For years, this intended generosity toward those facing persecution at home has been misused by criminals who see Denmark as an easy target — including members of organized crime from the former Soviet Union, especially Azerbaijan, Armenia, and the Ukraine. They have no real hope of becoming Danish nor a desire to do so. Operating out of the refugee centers while their

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applications for asylum are being processed, they prey on the local population. Some have even been caught sending huge parcels of stolen goods back to their home countries. This, of course, is highly visible activity, and it contributes to suspicion against foreigners. Now attempts will be made to shorten the process of deciding asylum claims, which currently take about six months.

But it is really the second part of Jespersen’s statement, that she did not want to live in a multicultural state where the cultures are deemed equal, that is the more interesting. This was made in response to far-fetched but serious demands from militant Muslims that Denmark be turned into an Islamic state and that key elements of Islamic law, the Shari’a, be introduced as part of Danish law — such things as the death penalty and mutilation for theft.

Now, Danish Social Democrats are not really high on mutilation, let alone the death penalty. But that may not have been the worst of it. For a lifelong women’s rights activist like Jespersen, when people start talking about denying women access to the labor market or the right to divorce — to say nothing of the practice of arranged marriages — those are fighting words. On this, there can be no compromise. The minister was backed up by the Social Democratic Party Congress, which stated in its political platform for the next four years: “We do not accept religious traditions and attitudes that are in conflict with the basic values in Danish society, where all people have inalienable rights. Men and women must be treated as equals.”

One of the key mistaken assumptions made by various Danish governments was that after a generation, the children of the newcomers would assimilate, marry Danish girls, and become jolly Danes themselves. In fact, rather than marrying locally, most Turks, 95 percent in Rockwool’s reckoning, still import a Turkish wife even in the third generation. In fact, many Turks feel an obligation to help cousins back in the ancestral village get out

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through arranged marriages. That means that the process of assimilation starts all over again, beginning with language. It is back to square one every time.

One consequence has been ghettoization. Denmark has its own version of “white flight.” When the influx of foreigners reaches a certain point, Danes move elsewhere in order to avoid sending their children to the local schools. Certain parts of Copenhagen and Odense are now Little Istanbul or Gaza Strips.

Because of the poor language abilities and work habits of many foreigners, employers are reluctant to hire them. As a result of unemployment, the father, the traditional seat of authority in Islamic families, often loses the respect of his children. The result has been a sharp increase in crime among second generation immigrants — to the extent that in the public mind, the word crime now brings to mind the image of a foreigner.

A rash of gang rapes over the past year has caused particular consternation. In one highly publicized case, seven Palestinian youths who were accused of gang-raping a teenage girl got off with extremely light sentences — three months — and were seen celebrating afterwards. In other cases, people who faced deportation for severe crimes have been allowed to stay. The Danish courts still seem to be stuck in the political activism of the 1970s, sending all the wrong messages and undermining general respect for the law.

Finally, there are the financial costs. Immigration and the failure of integration have been staggeringly expensive, a tremendous strain on the welfare state. A minority of 4 percent of the population — that is, non-Western immigrants — accounts for fully 34 percent of the Danish social budget. People who have paid a lifetime of the highest taxes in the world to secure themselves a happy old age now find waiting lists to get into the hospital and increasingly poor social services. When the Danish prime minister recently asked Danes whether, for all their grumbling, they would really like to live elsewhere, many were tempted to confound the prime minister’s certitude and say yes.

There have been some legislative efforts to address the problems. One new law seeks to bar immigrants under 25 years of age from bringing a foreign spouse into Denmark. This is done expressly to prevent arranged marriages: Older, more mature immigrants, it is believed, are less likely to give in to the dictates of family and custom. And renewed efforts have been made on the language front. Some welfare payments are now tied to a willingness to learn Danish.

What many Danes fear is that the virus of political correctness will spread

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to Denmark — in fact, it already has — and that therefore it will become impossible to discuss problems like these candidly. But the impulse felt by many Danes to retain the right to call barbarism by its proper name is not evil or racist. Rape remains rape, no matter who commits it.

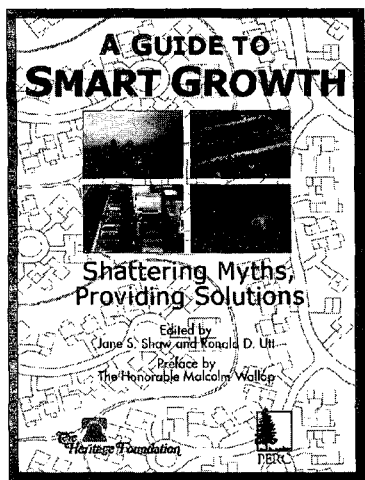
The Danes' rejection of the euro was indeed bound up with apprehensions about the consequences of immigration, as the international press portrayed. But these concerns are well founded, a product of growing awareness of the ill effects wrought by a naive immigration policy, overgenerous social welfare benefits, and a failure to enforce standards for integration. The image used again and again in the Danish press is that of a stranger invited into your house who begins to complain about the food and abuse the host and ends by stealing the silverware.

The Danes' unspoken fear is that imperious EU officials in Brussels will force the dismantling of the limits they are just beginning to establish around immigration and welfare policies. This fear may be farfetched. But with their self-righteous denunciation of supposed Danish insularity and xenophobia, it is an attitude European leaders encourage. Danes have welcomed refugees, but the refugees have to follow the rules that everyone else follows. On this point Danes, normally pacific, can be very stubborn.

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How *Smart* Is Smart Growth?

“Urban sprawl” and its proposed solution, “smart growth,” have become top issues nationwide this year. The newly published *A Guide to Smart Growth: Shattering Myths, Providing Solutions* distinguishes between real and imagined causes of sprawl and explores which solutions work, which don’t, and why.



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BOOKS

The Anxiety of Prosperity

By ELIZABETH ARENS

DINESH D'SOUZA. *The Virtue of Prosperity: Finding Values in an Age of Techno-Affluence*. FREE PRESS. 284 PAGES. \$26.00

THIS SHOULD BE a triumphant time for capitalism. The economy of the United States, and of much of the developed world, continues to perform strongly. All formal alternatives to the capitalist method of production have been discredited. The centrality of free trade in stimulating economic activity is overwhelmingly accepted. The equitability of the market as a mechanism for distributing goods is rarely questioned. Furthermore, many government interventions which mitigated the outcomes that arise in the market, from welfare benefits to rent control, have been recognized as disastrously counterproductive. Instead of this triumph, however, protesters flood the cities where the World Trade Organization meets to

denounce capitalism in the name of the sea turtle and sweatshop worker. Simultaneously, there has emerged of a critique of capitalism among the very group which has been considered its most reliable defenders: those who are regarded as, and call themselves, political conservatives.

The last time conservatives were involved in such an intense internal debate about capitalism was the late 1970s. This was a period, it may be remembered, in which capitalism didn't seem to be working so well. The U. S. economy was plagued by both high inflation and unemployment, the simultaneous occurrence of which had long been declared impossible by orthodox economists. American society was in beset by a host of other problems as well. The hopeful liberalism of the 1960s had disintegrated into a swarm of extreme, single-minded movements demanding their "rights" in increasingly shrill and uncompromising terms. This was accompanied by a dramatic rise in the levels of crime, divorce, and out of wedlock births. In his influential and controversial work *The Cultural Contradictions of Capitalism*, the neo-conservative sociologist Daniel Bell undertook to relate these phenomena. Though Bell did not try to account for the specific problems the American economy was experiencing, he did argue that the long-term viability of the capitalist system was in doubt. In doubt, he argued, because capitalism had evolved a consumer orientation that promoted extreme individualism, hedonism, and immediate gratification. These habits and attitudes had replaced the "Protestant ethic" of productive work and delayed gratification, the value system that nurtured and sus-

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