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Should We Bail Out Gorby?

BY MURRAY N. ROTHBARD

The debate over whether or to what extent we should bail out Gorby (\$10 billion? \$50 billion? \$100 billion? Over how many years?) has almost universally been couched in false and misleading terms. The underlying concept seems to be that the United States government has, through some divine edict, become the wise and benign parent of Gorby/the Soviet Union, which, in its turn, has for most of its career been a wild and unruly kid, but a kid that is now maturing and showing signs of taking its place as a responsible member of the family.

It is supposed to be up to the parent, engaged in a behavioristic reward/punishment form of raising said kid, to mete out a reward/punishment scheme so as to reward improvement and to punish (by rewarding less—it's a very progressive form of child-rearing) any regression back to the wild-kid state. And in tune with modern mores, the "rewards" are exclusively monetary, that is, to put a candid face on it, we



are engaged in a process of bribing the kid to be good.

And so the debate, within the circle of "parents" of the Soviet Union which all Ameri-

cans have willy-nilly become, runs along these lines: Gorby did wonderfully, and freed Eastern Europe and began to free

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No!

BY IGOR OLEINIK

Pity the Russian immigrant to America. He escapes Gorbachev's regime because he hates socialism, but once in America, he is forced to support socialism through his taxes, which are sent to a man and regime he despises.

A popular Soviet joke says there are two roads to free market reform: the realistic, where aliens arrive from outer space to do the job, and the fanciful, where the Soviet government does it. Sadly, this bit of humor is closer to the truth than conventional wisdom in the West, which holds that the Soviets will

reform when they get more money from Western taxpayers.

Despite Gorbachev's endless speeches on a "socialist regulated market," and equally endless blueprints from his advisers, the government is broke, and economic chaos rules the country. Real privatization and military cuts are apparently out of the question. Instead, Soviet bureaucrats have chosen their historically preferred path of patch-work expropriation.

They have tried the "shock therapy" of arbitrarily raising prices. This enhanced revenues, as they say in Washington, but

the plan ended up being all shock and no therapy. The state budget deficit in the first quarter of 1991 still topped the entire year's target by 30%.

During the 1970s, the Brezhnev regime survived on \$300 billion from oil sales. But that ceased to work in the late 1980s and 90s, so the Soviet bureaucratic elite drudged up two other strategies for reanimating the corpse of a dying empire: printing rubles and begging for Western economic aid.

Only last year, the Soviets promised a "bright market

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"Free Trade" as Interventionism

From the President



BY LLEWELLYN H. ROCKWELL, JR.

Writers

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No one who knows Washington will be surprised to discover that free trade has little to do with the Mexican free-trade agreement. As usual when D.C. is calling (and aiming) the shots, arcane regulations will redistribute billions of dollars to well-connected corporations, and even more power to the managerial state. This is not the free market.

The benefits of free trade are obvious. "In every country it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest," wrote Adam Smith. "The proposition is so very manifest, that it seems ridiculous to take any pains to prove it." Exactly. Free trade increases the common good and reduces the role of government. It enlarges the division of labor, and thus the general prosperity. It benefits all nations who engage in it, no matter how backward or advanced, and fosters amity among them. But this is not what Washington has in mind.

In a chilling reprise of the trade blocs that helped bring on World War II, President Bush is creating a North American zone of Mexico, Canada, and the U.S.

Combined with U.S. control of oil in North America, the Caribbean, and Venezuela, and now the Middle East thanks to the Iraqi War, Bush believes he can reverse the U.S. economic decline caused by big government, wage trade war on the European Community and Japan, and generally make

sure—as he likes to put it—that "what we say goes."

Bush's related "Enterprise for the Americas Initiative" seeks to bribe all of Latin America into the zone, with below-market loans from the World Bank, the International Monetary Fund, the Export-Import Bank, the Commodity Credit Corporation, and a new U.S. investment fund—all at our taxpayers' expense. Fifteen Latin countries have signed up, and 13 Caribbean countries have agreed to a related scheme.

Some Mexicans fear U.S. political control of their country. U.S. trade representative Carla Hills is, for example, demanding a host of changes in Mexican law. "U.S. agencies, including the Environmental Protection Agency and the Departments of Justice, State, and Labor" are pressuring Mexico on the "environment, human rights, worker standards," and other issues, says Hills. She is even insisting that Mexico harden its patent laws to the benefit of big U.S. firms. Such laws, even in our own country, are a special privilege rather than a legitimate protection of property rights; they should be weakened, not toughened.

Why should our regulations, written at the behest of Keynesians, labor unions, and environmentalists, be foisted on that poor country? It trespasses on Mexican national sovereignty, and violates our own Constitution, which contains no warrant for such intervention.

To listen to the Bush administration, all this is necessary

because we're poor, free-trading bumpkins victimized by foreign city-slickers; in fact, the U.S. is as protectionist as any industrialized country, in some ways more than even Mexico.

Rather than telling Mexico, and almost every other country on earth, how to run its affairs, why not put our own house in order?

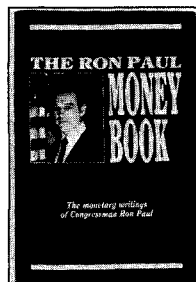
We should get off the "fast track" and stop the Mexican negotiations, abrogate all other managed-trade treaties—which are unconstitutional—and allow our companies to make their own free-trade agreements, at their own expense. Would it work? I believe they would be welcomed with abrazos, since their only motive is to make a profit. When has D.C. ever been that clean?

We should also scrap investment barriers, export subsidies, and duties, tariffs, and quotas. Some companies might suffer, but justice would be served, entrepreneurs would be freed, the American people would be enriched, and so would every country that did business with our firms.

U.S.-managed trade and managed-trade restrictions benefit special interests; that's why they're enacted. Not only do they harm consumers, they damage American businesses—the would-be competitors of the privileged firms.

A non-managed trade policy would set an example for the world, benefit us and all who did business with us, and shrink our government. Who could ask for anything more? ♦

Book of the Month



Our distinguished counselor, Congressman Ron Paul, has produced an important new book entitled *The Ron Paul Money Book*. It covers the history of U.S. money and banking in brilliant depth, and argues eloquently for the Constitutional gold standard and

the abolition of the Federal Reserve. Two bonuses: a wonderful analysis of Mises, and a chilling report on the New Money. Special this month, this hefty 334-page large-format, quality paperback is \$25, including U.S. postage and handling. ♦

The Triumph of Faction

BY JOSEPH SOBRAN

The most striking political paradox of our time is that the 1964 Civil Rights Act, which was supposed to help make America a "color-blind society," has made us more nervously color-conscious than ever. The bill's sponsors assured everyone that it would not only never promote racial quotas but would actually forbid them; yet the federal government now actively practices racial hiring itself and requires it of private businesses. What was supposed to be banned is now mandated; the problem that was supposed to be solved has been enormously aggravated.

Advocates of the free market will not be amazed by such paradoxes. They understand that state intervention always has unforeseen consequences, which are often the very opposite of the foreseen ones.

But racial quotas can also be seen against the larger background of American political history. In *The Federalist* No. 10, James Madison considers the chief problem of republican government, which is "to break and control the violence of faction." By "faction" he means approximately what we would call "special interests." And he takes this problem very seriously: "The friend of popular governments never finds himself so much alarmed for their character and fate, as when he contemplates their propensity to this dangerous vice."

Madison is as keenly aware of the potency of "class struggle" as Marx. But unlike Marx, he is not hostile to private property. In fact he calls its protection "the first object of government," and he includes the demand for "an equal division of property" in his list of "improper or wicked project[s]" of bad government.

Moreover, Madison does not believe that class struggle is inevitable. It is natural, and it arises from time to time, but it can be avoided, tamed, and counteracted. First, he recognizes that wise rulers, actuated by concern for justice and the

common good, will transcend any special interest. This civic impartiality is part of what the founders of the Republic called "republican virtue."

But Madison also recognizes that "enlightened statesmen will not always be at the helm." It is therefore necessary to disperse political representation among the people, just as it is necessary to divide the political power of the ruling agencies: "It is of great importance in a republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustice of the other part," he says in No. 51. The wide dispersal of representation (so as to "render an unjust combination of the majority of the whole very improbable, if not impracticable") corresponds to the separation of powers within the government itself.

Those who search *The Federalist* for a celebration of democracy and majority rule will be disappointed. It regards the simple centralization (or "consolidation") of power with suspicion and horror, based in awareness of both history and human nature. It makes no moral distinction between bullying by majorities and by minorities. Any special (or "partial") interest qualifies for the baleful label of "faction."

The high-minded hopes of the founders were quickly put to the test. Far from being a surprise, however, this was exactly what the founders had planned and prepared for. The sort of party system they deprecated—an alliance of factions—came into existence immediately, bringing with it an increasingly bitter struggle between classes and regions. Protective tariffs and the expansion of slavery strained national unity to the breaking point. The violent restoration of that unity after the Civil War brought with it a greater consolidation of power in Washington, which has continued to intensify ever since. Nationally organized business, agricultural, and labor interests have successfully sought legisla-

tion favoring themselves. Today we take for granted the existence of lobbies on behalf of the elderly, teachers, artists, and many other factions.

What is different now is that factional politics is actually glorified as the *fulfillment* of the founders' plan. Some political scientists actually teach that Madison was *praising* the contentions he was so obviously deploring. "Pluralism," we are told, is the word he was groping for. What these interpreters overlook is that Madison, while acknowledging that factional rivalries can never be entirely extinguished in a diverse populace, was expressly seeking to prevent any special interest from predominating.

He could hardly have said so more plainly. He constantly uses phrases like "the mischiefs of faction." But in recent times the advocates of state intervention have stood the constitution on its head, and it is no wonder they have also found it expedient to twist the clear meaning of the constitution's most authoritative interpreters.

Few practices could be more repugnant to the kind of equality the founders favored than officially mandated racial hiring. It deeply offends every surviving instinct for the rule of law that treats all citizens alike. If the desire for special treatment is a stubborn fact of life, so is the desire for justice and freedom from constraint. So the naked demand for privilege still has to be garbed in the language of "civil rights."

So far this semantic strategy of demanding privilege in the name of equality has been highly successful. But it has had its costs. It has brought the phrase "civil rights" into disrepute: what was once a morally appealing principle is now identified by most Americans with a single special interest. And the power of that interest has proven deeply divisive, as factional politics always is. It has given us anything but the racial harmony it promised. The "color-blind society" is further away than ever when the state

itself makes color an official category and orders discriminatory treatment.

What makes the new factional politics even more sinister than the old is that the new categories—and sex has been added to race, for purposes of “affirmative action”—are rigid. It is always possible for the individual to change economic classes: a laborer can become a capitalist, a farmer a banker, a debtor a creditor, and so forth. But changing your race or sex is

another matter. These are categories you are born to. There is little fluidity in these classifications.

So factional politics is threatening to bring us full circle, to a point where privilege is assigned by the state according to accident of birth. Individuals are to be rewarded or penalized for what they *are*, not for what they *do*—a strong ending for the Land of Opportunity, and in the name of “equal” opportunity at that!

But hard-core racists may

take heart. The state is preserving the official racial classifications it once seemed on the verge of abolishing. It is underlining differences that free trade and social contact tend to soften. It is antagonizing the racial majority, while legitimating racial privilege. And it is constantly increasing its own arbitrary power. All this may pave the way for a kind of interventionism that today's liberal interventionists may not like so well. ♦

No!

BY IGOR OLEINIK

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future,” disarmament, and political decentralization. In exchange, Kremlin bureaucrats received direct aid, export credits, and loan guarantees: \$5.4 billion in government-guaranteed credits and loans from France and Italy; \$2.5 billion from the European Community in emergency aid and industrial assistance; and \$1.3 billion in food from Canada, this for a country where more than 40% of the harvest rots in the fields of collective farms.

In early 1991 the German government guaranteed \$9.5 billion in loans, and \$8.5 billion to relocate Soviet troops from East Germany. The U.S. approved \$1 billion in export credits and \$300 million in export insurance and loan guarantees.

The Soviet Union also managed to extract \$1.5 billion from Spain, \$3 billion from Kuwait, \$3 billion from South Korea, \$5 billion from South Africa in a

diamond exchange, and so on. In addition, the U.S.S.R. sold 234 tons of gold in the world market to raise hard currency.

Where did all this money go? Not to long-term reform or the Soviet people, but to useless or destructive bureaucrats, the dangerous military complex, and client states like North Korea and Cuba.

Even today, while groveling for financial aid from the West, the U.S.S.R. keeps large military forces in Eastern Europe, sends aid to Cuba and others, and maintains tens of thousands of well-paid officials and spies all over the world.

This year, the military complex will consume 35% of the Soviet budget. Its share of the world's weapons trade will be about 28%. As in the past, 80% of the machine-building industry will work directly or indirectly for the military. Each year, in comparison with the United

States, the U.S.S.R. produces four and a half times as many tanks, five times as many armored troop-carriers, three times as many nuclear submarines, and twice as many bombers.

Gorbachev is charming and clever, especially as compared to his semi-alive predecessors. Like a con man, he's beloved everywhere but at home. He has even capitalized on the West's generosity with a campaign of “humanitarian” help: clothes, medicines, food, and other presents have gushed into the Soviet bureaucracy. But all this does positive harm, by strengthening the government, which is the enemy not only of reform and peace, but of the Soviet peoples. If we want to help bring down the evil empire, and Gorbachev's socialist government, we must send no aid. Morally, economically, and politically, no other course is justified. ♦

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the Soviet Union; for this he should be rewarded copiously. On the other hand, Gorby slipped back for a while, and began to play with those bad companions the despotic Black Colonels, for which he should be punished (by withholding bribes); but recently, Gorby has gotten better.

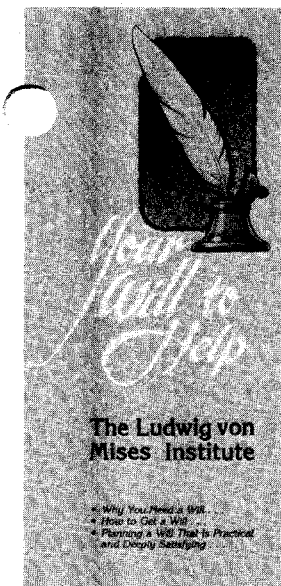
In addition to the nuanced complications of trying to figure out to what extent to reward Gorby and to what extent to withhold the rewards, there is an extra complication,

due to the fact that Gorby and the U.S.S.R. are, after all, not one and the same. If we reward Gorby heavily, will it discourage the more advanced reformers such as Yeltsin, or will it push Gorby more in their direction? On the other hand, if we punish Gorby, will this lead to the dread Black Colonels—the real despots—taking over, or will Yeltsin and company take over instead? The U.S. Establishment, which worships the status quo (“stability”) almost above all things, at least in for-

eign affairs, and fears change like the head of Medusa, of course plumps for Gorby all the way.

Within this debate, too, everyone, even the most enthusiastic bailout advocates, recognizes that the U.S. budget is limited, and that therefore there has to be some restraint on the total handout.

The result of all these complexities is that, as in most other areas of American life, our seemingly vibrant democracy appears to be engaged in free



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and vigorous debate, but is really only parsing relatively trivial nuances within a basic, unargued, and implicitly assumed, paradigm: the U.S. as parent trying to find the precise formula for correcting previously unruly offspring. Unfortunately, the basic paradigm never gets discussed, and desperately needs airing and criticism.

There are many fundamental flaws with this universally held paradigm. First, no one appointed us as parents of the Soviet Union. To be more specific, the United States, as rich and powerful as it is, is not God; its resources are strictly limited and, over recent years, have experienced ever narrower limits.

Even if we wanted to and set out to do so, it is not in our power to cure all the ills of the world.

There is no way we can stop or reverse the volcanoes, heal the sick, or resurrect the dead. It is not just that we are not responsible for Third World (or Second World) poverty; there is nothing we can do about it, except bankrupting and impoverishing ourselves. We can only serve as a beacon-light on how to get out of the mire. The United States and Western Europe did not become relatively rich and prosperous by accident or by a trick of nature; we lifted ourselves by our bootstraps out of the nasty, brutish, and short lives common to mankind. We—or more precisely our ancestors—did it by devotion to property rights and the rule of law, and by provid-

ing the institutional means for a free and developing economy to flourish.

The best—indeed the only—thing we can do for the impoverished Second and Third Worlds is to tell them: look, here is how we became prosperous: by defending the rights of private property and free exchange, by allowing people to save and invest and keep their earnings. If you want to prosper, follow our forefathers: privatize, and deregulate. Get your government off your backs and out of your lives.

If we adopt this new (or rather, return to the original U.S.) paradigm, the whole question of bailing out Gorby looks very different. U.S. government aid can only be a reward for Gorby and the rest of the neo-Communist *nomenklatura*. Regardless of rhetoric, such aid can only strengthen the state in the Soviet Union and therefore diminish and cripple the only hope for Russia and the other republics: the nascent and struggling private sector. Aid to Gorby, therefore, may be a reward for Gorby and his friends; but it is necessarily and ineluctably a harsh punishment for the peoples of the Soviet Union, because it can only delay and weaken their return, or advance, to a free economy.

To paraphrase a famous statement of John Dos Passos ("all right, we are two nations"): every country is really two nations, not one. From one nation—the people interacting voluntarily, in families, church-

es, science, culture, and the market economy—all blessings flow. The "second nation"—the state—produces nothing; it acts as a parasitic blight upon the first, productive nation: taxing, looting, inflating, controlling, propagandizing, murdering.

In the Soviet Union and other Communist countries, the state grew so wildly as to virtually swallow up the first nation, and the parasite ended up by virtually destroying its host. The Soviet people need a U.S. bailout of its own state apparatus like it needs—to use an old New York expression—a hole in the head, and quite literally. And while the American public, one hopes, resists the notion of foisting upon the Soviet Union more of what has brought it to its current sorry state, we might even turn our attention away from foreign woes and tyrannies, and focus again upon our own beloved state here at home.

But then there is the seeming clincher in rebuttal: if we don't bail out Gorby, won't worse people come to power in the U.S.S.R.? Well, who knows? In the first place, it is not given to us to decide the fate of the Soviet Union; that, after all, is up to the Soviets themselves. Again, the United States is not God. In the second place, since the future is uncertain, a post-Gorby Soviet Union could be better or worse. So if we can't predict the consequences, shouldn't we, for once, do what is right? Or is that too arcane a concept these days? ♦

Close Down the NEA

BY SAMUEL FRANCIS

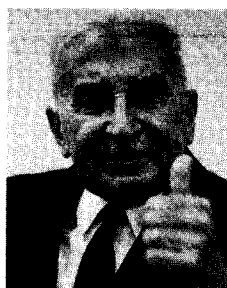
Not too long ago, the American taxpayer was so naive that he thought the funding of Robert Mapplethorpe exhibits was about the worst thing the federal government could do with his money. In those halcyon days the poor brick believed that the National Endowment of the Arts gave money only to the pictorial depiction of perversion. Now he knows better.

Last year, after much lipflap by politicians and aesthetes over the NEA's \$30,000 grant to the Philadelphia Institute for Contemporary Arts for an exhibit of the late Mapplethorpe's "homoerotic" and "sado-masochistic" photographs, the taxpayers were edified to learn that the federal agency that forks out public money to artists had ascended an entirely new Parnassus. This time it was

grants to "performance artists"—that is, strippers who enchant their live audiences with feats far more outre than anything Gypsy Rose Lee's banal imagination could conceive.

One such ecdysiast is Johanna Went, who unveiled her delights at New York's Furnace Theater. Miss Went's act included such props as dildos and what the *Village Voice*

The NEA should be abolished because it undertakes functions that government has no business doing.



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described as her “giant vagina headress.” The NEA helped finance her performances in 1983, 1985, and 1987—even before the funding of the Mapplethorpe exhibit became known.

But that’s not all the NEA has been funding, and several of the other masterpieces on which the NEA has expended the public swag make Mapplethorpe look like a tame turtle. The Heritage Foundation’s Robert Knight has traced NEA funding scandals all the way back to 1969, when it awarded more than \$1,000 to poet Adam Saroyan for his one-word poem “Lighght.” More recently, the agency has funded sculptor Andres Serrano, who enjoys submerging pictures of Jesus Christ in his own micturitions. In 1985, it gave \$25,000 to the Thunder’s Mouth Press, which proceeded to crank out a book about the sexual molestation of children by a pedophile and which also included some sympathetic portrayals of bestiality. In addition to Miss Went, there’s a small army of performance artists, male and female, on the NEA grants list who alternately thrill and disgust their audiences with dramatic concoctions that would puzzle the most hardened students of sexual psychopathology.

The revelations of the NEA’s funding of filth sparked debates in Congress and even inside America about whether the U.S. government should be in the pornography business, whether what it was financing was pornographic or simply a new wave of taste that benighted taxpayers couldn’t appreciate, and whether the NEA should exist at all. After a couple of years of pondering the matter, Capitol Hill lawmakers came up with some milkish “guidelines” that the NEA wasted no time in evading. This year it was learned that even after the guidelines, the agency awarded \$25,000 to homosexual filmmaker Todd Haynes for his movie *Poison*,

which graphically depicts anal rape in prison. “Unpleasant is an understatement,” observed the *Voice*.

Unfortunately, most conservatives have missed their opportunity on the NEA issue. While many congressional conservatives risked the ridicule of the media by demanding “content restrictions” on what the NEA should be permitted to finance, few of them ever lifted the debate above the level of foot-stamping over obscenity and blasphemy. What they should have done—and should do now—is use the NEA controversy to reexamine the whole concept of government funding of the arts (and the humanities and science) and to move toward abolition of the NEA. Not only have they failed to do so but some, especially the neo-conservative set, have actually defended the existence of the NEA.

Thus, neo-conservative godfather Irving Kristol, writing in the *Wall Street Journal* (August 7, 1990), expressed his own disgust at what the NEA has been up to and admitted that “the most obvious response would be to abolish the NEA.” But, he concluded, “this is not going to happen” because the forces supporting the NEA are simply too powerful and conservatives have been “ideologically disarmed” in opposing it. Who could it be that took their weapons? His neo-conservative ally Walter Berns, writing in the *National Review* (November 19, 1990), went a bit further in finding the original idea of the NEA to be an inherent good, a means of elevating an otherwise tasteless and Philistine bourgeois civilization, though he acknowledged that many of the NEA’s recent grants don’t quite fulfill this ideal. Mr. Knight himself, in the Heritage report cited above, avoided challenging the basic idea of government-funded art and called only for reforms in the NEA’s grant-making procedures.

All of which begs the ques-

tion. If conservatives and libertarians united in questioning whether the federal government has any legitimate role in financing art, the chances for abolishing the NEA outright would be much improved. But so far Rep. Phil Crane (R.-Ill.) is nearly the only conservative legislator to make a serious case for abolition, going where even Sen. Jesse Helms has not dared to tread.

Neo-conservatives have been indefatigable in tracking down and denouncing NEA excesses, but their critique is considerably weakened by their refusal to go any further. They assume that the existence of the NEA is a given, long since settled, and they want only to clean up the agency by the right kind of appointments and limited procedural reforms. Their thinking on the NEA controversy is a classic case of what’s wrong with the “Big Government Conservatism” they generally espouse. As Jack Kemp is to civil rights legislation and public housing, so Kristol, Berns, and company are to state-funded art.

By concentrating on “content restrictions,” neo-conservative publicists and conservatives in Congress have actually ceded ground to their adversaries, who have raised the cry of “censorship.” Content restrictions are not censorship, however. Censorship is when government says “you can’t produce (or sell) X.” Content restrictions simply say, “We don’t want to buy X.” They are no more censorship than the refusal of a private client in an art gallery to purchase the pictures offered for sale. Legislated content restrictions on the NEA would simply register the taxpayer-purchaser’s decision not to buy certain kinds of “art,” whether they’re deemed “obscene” or “blasphemous” or simply have too many trees and flowers in them.

One argument for keeping the NEA is that without it, the arts in the United States would suffer, and some conservatives,

buying into this sophism, will solemnly recount how the NEA helped pick up the tab for such splendors as productions of *Arsenic and Old Lace* in their very own home town. But the argument is false as well as irrelevant. Long before the NEA was founded in 1965 as part of Lyndon Johnson's Great Society, Americans were creating art. There's no reason why they need the state to help them.

But the whole debate over censorship, content restrictions, and uplifting the Philistines merely served to deflect the controversy from the direction it would have taken and help distract conservatives from the real issue.

The NEA should be abolished because it undertakes functions that government has no business doing. Federal subsidization of art necessarily involves the state in activities it shouldn't be in. Whatever the original intentions of Congress when it set up the endowment, whenever government funds art, it necessarily directs the subject, the style, and the ideas of the art and artists it favors with its funds. It does so regardless of whether it explicitly restricts content; it does so because whoever—Congress or the NEA munchkins—decides on which art works and artists to support, it necessarily selects some rather than others and excludes

those it chooses not to support. Thus, the real issue of the NEA debate is not that of censorship versus liberty but rather one of whether the state should subsidize some ideas, tastes, and values over others.

By subsidizing art at all, whether it's Mapplethorpe or Michelangelo, the NEA necessarily involves itself in social processes and institutions where the state has no more business than it does in funding religion. There's simply no reason for government to be in the art business. It doesn't help freedom and you can bet your Mapplethorpe it doesn't help art. The only thing state funding of art does help is the state itself. ♦

We Closed Down the Michigan NEA

BY GREG KAZA

On May 19, 1991, Michigan abolished the Michigan Council for the Arts (MCA). The Left's horror was underscored by their hatred of Gov. John Engler, the conservative Republican "arts ogre" who made it all possible.

MCA Chairman Leon Cohan condemned Engler's action as "semi-intellectual, reactionary baloney." Officials of the National Endowment for the Arts threatened to eliminate funding for all Michigan artists and cultural groups unless the order was rescinded—a not-so-subtle form of federal blackmail that Engler ignored.

"Government subsidy means government control," says novelist Bill Kauffman. "No self-respecting artist wants to be a pawn of the politicians. Yet the politicians have consistently used the bait of government subsidy to snare artists."

The MCA was no exception, and the cultural Left turned the agency into its own private bank under Engler's predecessors, Democrat James Blanchard and Republican William Milliken. In analyzing MCA records, one can find the occasional

grant to the liberal "Congressman William D. Ford, D-Mi., Vocational-Technical Center." But most grant money went to the likes of "Dance for the Homeless," "Inmates' Creative Writing Program," "Latin Americans for Social and Economic Justice" and the "Robeson Players" (Robeson was a black Communist singer).

Mimicking the federal NEA, whose subsidization of anti-Christian homoerotic art has set a new standard for *declassé*, the MCA spent \$8,000 on a clay work entitled "Hermaphroditic Entities," which I will not describe.

Government funding gave the cultural Left the means to, in the words of one arts official, "quietly build bases of community support." The MCA also gave the *political* Left the means to pursue its extremism. "In the terrific street level noise of a syn-chronic cultural clash, the bump and, yes, sometimes *blood* of multi-racial conflict is the whisper of this new multi-cultural polis," writes Detroit Council for the Arts deputy director James Hart in *CityArts*, a slick, MCA-subsidized quarterly magazine. What is this "new polis"? Hart defines

it as "Anti-Paternalistic, Anti-Racist, Anti-Sexist, Anti-Colonial, Anti-Imperialist."

Nor is Hart the exception. Radic-lib Michael Moore's *Roger & Me*, received a \$5,000 MCA grant, which Moore refused to return even though his film grossed millions.

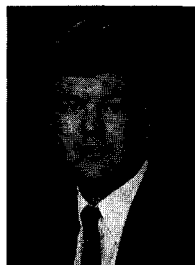
Why should working families subsidize the cretinous cultural leftists? Why should Christians subsidize New Agers? Why should whites subsidize anti-white racism? Why should capitalists subsidize socialists? Why should Republicans subsidize Democrats—or vice versa?

The answer, of course, is that they shouldn't. Government funding of the arts must lead to conflict. Only a market order can produce peace and harmony. The market fulfills the wants of arts patrons and other consumers, and rewards the artists they select. Only welfare artists and New Class bureaucrats receive the short end of the stick. As they should.

Editor's note: it was Larry Reed's free-market Mackinac Center in Midland, Mich., that advised the governor on this issue, and rallied taxpayers and cultural conservatives to his side. Congratulations! ♦

What's Brewing with "Power- Master"?

BY MARK
THORNTON



Professor Mark Thornton was an LvMI scholarship student during his PhD studies.

The G. Heileman Brewing Co. has been condemned for its new product, "PowerMaster," a higher-potency malt beer aimed at inner city black males. Why, critics want to know, did Heileman increase the potency? Why did it give the product an "offensive" name? Why is its advertising campaign focused on a racial group?

Agitators can easily mislead public opinion, especially the socially sensitive among us. But almost no one has focused on the attackers, a coalition of neo-prohibitionists, neo-conservatives, health Nazis, and the politically correct, for whom this campaign is but a small step towards their ultimate goal.

Common sense tells us that PowerMaster can be no threat to society. First of all, it is just slightly more potent than the malt beer already on the market, and studies have found that American consumers resist beer that is too potent, so that there is a natural limit to alcohol content. (It is worth noting that beer sold in other countries is much stronger than ours.)

Will PowerMaster make people drunker? Because you can never overestimate the ignorance

of bureaucrats, it should be pointed out that consumers can drink wine, which has three times the potency of beer, or whisky, which is more than ten times as strong. Or they can drink more cans of regular beer.

Economic analysis tells us that the government is at least as "responsible" as Heileman's for PowerMaster. Federal excise taxes encourage the consumption of higher-potency products such as malt beers and unfiltered cigarettes. Excise taxes take a significant percentage of income from poor people, further impoverishing them. The tax is a certain amount per can, or per gallon, or per pack. Consumers can avoid some of the tax by choosing beer with more alcohol per can, so it is not very surprising that poor people choose the stronger varieties of beer—you get more bang for the buck.

It is particularly puzzling that Heileman's is being criticized for naming its product PowerMaster and the bureaucrats at the Bureau of Alcohol, Tobacco, and Firearms (BATF), after further bureaucratic thought, now claim that they will not allow Heileman's to use that name, or any name with "power" in it.

But why isn't the name appropriate and even socially responsible? Something called PowerMaster sounds risky, like a chainsaw or a heavy-duty electrical device. Should Heileman's have called it "Mrs. Friendly's Grain Tonic"?

My D.C. sources tell me that the bureaucrats at the Department of Health and Human Services are encouraging BATF to change the name to avoid embarrassing their boss, Dr. Louis Sullivan, whom they unaffectionately call "The PowerMaster" behind his back.

The fate of this minor brand from a mid-sized brewery may not seem important, but the attack on PowerMaster is not an isolated incident. Assaults on the producers of alcohol and tobacco are part of a deliberate strategy by the neo-prohibitionists, neo-conservatives, health Nazis, and the politically correct, to remake America in their image.

They have started with small issues like potent beer marketed to black males and strong cigarettes targeted at females, but their ultimate goal is to outlaw alcohol and tobacco. They want to become the PowerMasters of our lives. ♦

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