A Semi-Monthly Newsletter

Libertarian Forum

Joseph R. Peden, Publisher

Washington Editor, Karl Hess

Murray N. Rothbard, Editor

VOL. II, NO. 8

APRIL 15, 1970

35¢

The Cure For Air Pollution

The new glamor issue in American politics is pollution. It is common to hear predictions that human life has only a few more decades left on this planet. And it is common to hear increasingly strident demands for massive governmental action to stop pollution NOW. Only the government can save us, so the chorus goes, from the evil industrialists who pollute in order to make a profit.

This "emergency" is exactly what the Monster in Washington wants. Just as war and depression are used as excuses for stampeding the people into turning their lives over to an all-too-eager government, so pollution promises to be the issue that will keep the Monster fed now that the people are taking its war away from it. Before we feed the Monster, let us look at its role in causing the pollution crisis.

We will not look at the multitude of ways government itself pollutes (Atomic Energy Commission, Army Engineers, Supersonic Transport, etc.) or encourages others to pollute (farm program, oil import restrictions, highway construction program, etc.). Instead we will do what must seem rather strange for a libertarian, by focusing on an area where government should have acted but didn't (which is rather strange for a government). Government has defaulted in the little-known corner of the law known as the law of nuisance.

The right to property necessarily implies the right to use one's property free from the interference of others, as well as the obligation not to use it in any way which interferes with the rights of others. One who dumps garbage on your lawn is violating your right to property. More subtly, one who allows particulate matter to escape from his factory smokestack five miles away so that it leaves a layer of soot on your house is also violating your right to property. Because he is violating your rights, he has no right to operate in such a manner. His only moral alternatives are to find a way of running the factory so that it doesn't pollute your property, to pay you to put up with the pollution, or to close the factory.

Unfortunately, the law of nuisance has applied this principle only partially. The reason is the peculiar division of the law of nuisance into two parts-private and publicwhich have little in common with each other. Private nuisance is a field of tort liability in which an individual can maintain an action to collect damages for or to enjoin any unreasonable intereference with his use or enjoyment of his land. Public nuisance is a field of criminal law in which the state can prosecute anyone whose act or omission causes inconvenience or damage to the public at large. Almost all public nuisances are defined by statutes. The only time an individual is allowed to bring an action for public nuisance is when he has suffered a special damage which the public at large has not suffered.

Air and water pollution caused by industry obviously fall into the category of public, rather than private, nuisance because it often affects thousands of people. And since it affects the people in a given area relatively uniformly, no private individual is allowed to sue. The only thing left is government prosecution, but government has typically been the "partner" of industrial polluters until now.

Why does government prohibit private suits for public

nuisances? The official reason is to prevent a "multiplicity of suits", but the reason underlying that is to prevent the hindrance of industrial expansion by making industry pay for its pollution or stop polluting.

Even if private suits for public nuisances were allowed, the slowness and costliness of the statist adjudication system would be an effective bar to the maintenance of property rights in most cases. A major reason why people have not put more pressure on the courts to allow private suits for public nuisances is probably that most people realize that the courts are simply too inefficient to help them.

What is the result of all this? Pollution has reached its present destructive level largely because people whose rights have been violated have not been provided a legal remedy, and because the monopolistic nature of government prevents them from turning elsewhere for a remedy. It is as if the government were to tell you that it will (attempt to) protect you from a thief who steals only from you, but that it will not protect you if the thief also steals from everyone else in the neighborhood, and further, that it will prevent you from protecting yourself.

Now that the pollution problem has literally thrust itself into people's faces, they attack the proft system and demand that government "go after" industry. To continue the above analogy, it is as if people were to respond to a rash of thefts by attacking the character of everyone who enters the neighborhood and by demanding that the government lock up all

such strangers.

The solution is not to protect businessmen from paying for their own pollution, nor is it to penalize businessmen for being businessmen. The solution is to recognize the right of individual people to protect their property rights.

- Frank Bubb

U.S. IMPERIALISM

Spurred on the experience in Vietnam, a whole new generation is demanding to know the truth about American foreign policy. They no longer believe the continual flow of lies coming from the State Department and Pentagon. Theywant to know why U. S. soldiers, bombs and napalm are massacring a whole people in southeast Asia. Why are American boys being sent to kill and die in the hills and jungles of a peasant country ten thousand miles away? Whose interests are these soldiers defending? Since it is the peasants who are being slaughtered (perhaps by the millions), it is obvious that it is not the peasants' interests that are being defended. The questioning generation in the U. S. knows that it is not their interests that are being "defended". Just whose interests are being defended?

Fortunately, each year brings an increasing number of profound Cold War myth-debunking or "revisionist" articles and books into publication. During the past decade an important reawakening to place among academics, and among radicals in general, concerning the nature and history of U.S. imperialism which have helped to shed light on whose interests America's foreign policy has been defending in southeast Asia and elsewhere. 1969 was a vintage year for such works. Apologizing for passing over other important contributions, it seems fair to limit the field to the following three works mainly because of their brevity, pointedness and clarity: Corporations and the Cold War, ed. by David Horowitz (Monthly Review Press, 249 pp.); The Roots of American Foreign Policy by Gabriel Kolko (Beacon Press, 166 pp.); and The Age of Imperialism by Harry Magdorff Monthly Review Press, 208 pp.). Each of these books is an important contribution in its own right; taken together, they combine to become a superb introduction to a clearer understanding of U.S. imperialism.

The Horowitz collection contains a seminal essay by William A. Williams, "The Large Corporation and American Foreign Policy", in which this master revisionist sets forth his grand thesis: In the 1890's after the manifest destiny of continental empire had been fulfilled, the businessmen and governmental leaders continued on with the "frontier thesis" mentality. That is, they believed that the option of continental expansion had acted as a safety valve which served to ease the social and economic dislocations among the more populous and established business, industrial and agricultural communities. There was some truth to this thesis, and since the depressed economic conditions of the 1890's coincided with the end of the continental frontier, the "frontier thesis" was further confirmed in the minds of the ruling elite. This confirmation was fashioned into an institutionalized ideological faith.

Rather than busying themselves with the necessary task of restructuring (decentralizing and liberating, my solution, not Williams') the domestic economy (an economy which was seriously distorted by both the Civil War and postwar intervention), the U.S. ruling class began on a well planned course of extra-national political-economic expansion within the categories of the "frontier thesis" in order both to "solve" the domestic ills and to maintain and extend their own position of economic control within the domestic sphere. The ideology which accompanied this expansion was that the extension of the free market was an extension of freedom. However they, of course, never tried to reconcile the inherent contradiction of free trade rhetoric and the central role that the state played in bringing about that "free trade". Freedom, self-determination and international peace came to be defined in terms of conditions which did not interfere with the new engine of international peace and freedom-"America's" expanding commercial relationships otherwise known as the Open Door Policy.

The American foreign policy over the past seven decades has been a continuous implementation of this basic policy. "Economic expansion abroad equals prosperity at home" has been the constant theme.

Lloyd C. Gardner's "The New Deal, New Frontiers, and the Cold War: A Re-examination of American Expansion 1933-1944" in the Horowitz collection is a brilliant reinter-pretation of the "Good Neighbor" Roosevelt Era. The New Deal, far from being a period of "socializing" the economy, was, in its first phase, a period when the corporate-liberal leaders of U.S. state capitalism regrouped themselves for reentry into the shattered international economy, this time better prepared at home (more centralized control) to gain absolute global domination. Foreign political-economic expansion once again became the key to pulling the domestic economy out of depression. Armed with the Reciprocal Trade Act, the Import-Export Band, Lend-Lease, and finally with massive military might, the U.S. leaders had, by 1946, gained what they sought-control of the "free world" empire including the IMF and World Bank abroad and the Full Employment Act at home.

The Open Door Policy had but one more nut to crack, Bolshivism, and so the Americans began and heated up the Cold War. Not only was entry into the Russian markets important, but perhaps even more importantly, the Cold War was needed (along with export and investment outlets) to maintain Keynesian "defense" spending which would ensure the smooth operation of the whole vast system, as well as keeping the "free world" from throwing off its imperialist

yoke through leftist insurgency.

Gabriel Kolko begins his book with a very important chapter, "The Men of Power", in which he convincingly identifies Big Business leaders as the ruling class in America. He shows that this ruling class dominates all of the important command posts through which limits are placed on the American System, both economic and political. There is a definite appearance of pluralism throughout the system; however, although certain competition and dissent is tolerated with the limiting parameters laid down by the ruling class, no competition or dissent is tolerated which would change the fundamental character the system's limits.

Big Business needs have become the singularly important "fount" for determining both domestic and especially foreign policy. Two excellent essays in the Horowitz collection complement Kolko's findings perfectly: "Business Planners and American Postwar Expansion" by David W. Eakins is, in a word, a gem, and one looks forward with anticipation to reading his forthcoming book along similar lines. The corporate liberal research associations were very busy and very influential throughout the New Deal, WW II, and in the postwar period. These business "think tanks" served as the key link between Big Business and government both as a repository of policy plans and as a willing source of supply for key personnel to implement those policies.

The intricate interrelationships between the National Planning Association, the Committee for Economic Development and the plans and implementation of the Marshall Plan are studied in detail. The NPA had what was later to become the Marshall Plan ready in 1944 and they were only waiting for a politically propitious moment to make it operative. The plan had no humanitarian intent whatsoever and was based solely on American domestic needs to keep corporate liberalism from retreating back into depression, to bring all of Europe under the American hegemony, and to increase corporate profits. The Truman, Acheson, Harriman "Red Menace" campaign came to their aid, and the business community increased the velocity of that scare campaign to the

(Continued on page 3)

U. S. IMPERIALISM — (Continued from page 2)

point where the politically propitious moment did arrive.

The second of these essays is G. William Domhoff's "Who Made American Foreign Policy, 1945-1963?" The answer is that Wall Street made and implemented the policy during these years. Domhoff explores the vital importance of the Council on Foreign Relations as the key link between Big Business and the various executive departments which carry out U. S. foreign policy. In addition to the CFR, the importance of the CED, the RAND Corporation, the National Security Council and other organizations as additional links are discussed.

Kolko's chapter, "The U. S. and World Economic Power", is an important overview of the international economy and the U. S. role in it. Fortunately Harry Magdoff's more detailed work fits in with Kolko's essay to give a more complete picture of the international web of U. S. imperialism.

Together they show how important the Third World's raw materials are to the U.S. domestic economy and that it is imperative for the U.S. ruling class to maintain access to and control over these materials.

Foreign aid is used in various ways to serve U. S. corporate interests (it serves no-one else's). It is used as a subsidy to the export sector. It is used to build infrastructure for the import sector. It is used to buy and maintain friendly comprador governments and oligarchies. It is used as a carrot to woo while military and CIA presence is used as the stick to convince. A careful mixture of grants and loans are used to make the various "free world" economies mere political-economic appendages to the U. S. economy. Both Kolko and Magdoff stress the "oneness" of U. S. economic, political and military foreign policy aspects. Magdoff's chapter "Aid and Trade" is an absolutely devastating exposure of foreign aid.

In his chapter "The Financial Network", Magdoff displays a keen depth of understanding concerning the nature of central banking and its role in the U.S. as an agency of imperialism. Central banking (the Fed), credit expansion, the major banks and their overseas branches, the IMF, and the dollar as the international reserve currency; all of these are discussed along with their interrelationships with one another and their relation to foreign aid and the spread of U.S. economic-

military presence throughout the world.

Magdoff also destroys the "GNP myth" which states that since the annual foreign trade is less than 10% of the GNP. it is not very important to the economy, and therefore any talk of economic imperialism is just so much Marxist-Leninist propaganda. To say that, say, 5% of GNP is somehow unimportant in the first place would be ridiculous because 5% is a big chunk in absolute terms. But more importantly, what kinds of goods are included in that 5%? GNP figures tell us little. The imports are materials which are absolutely necessary for the survival of the system as it now functions. The exports are vital to those corporations which do the exporting. And, then, who generally controls these exporting and importing businesses? Members of the ruling class, of course. But even more important than the import-export trade is the overseas investment. Only the yearly capital exports are included in the GNP figures, the accumulated totals are not. Total revenues flowing from overseas investments have now reached the point where, by themselves, they are higher than the GNP of any other western nation. The relation between overseas investment, government aid in making those investments, and the profits thereby generated to the ruling class cannot be overestimated. U.S. imperialism is a fact, GNP or not.

The two final chapters of the Horowitz collection strike the final death knell to any lingering illusions concerning the relation between free enterprise and the U. S. economy. The U. S. economy may be a market economy, but it is a

The Individualist

An excellent new libertarian magazine has just beer launched! This is The Individualist, the new monthly journal of the Society for Individual Liberty, and an outgrowth of The Rational Individualist, the magazine of the predecessor Society for Rational Individualism. The Individualist is a fully professional magazine, with numerous ads, and excellent layout and art work; the new publisher is the young libertarian, James Dale Davidson, who is also executive director of the new and rapidly growing National Taxpayers Union. Featured in the initial, February, 1970 issue (recently off the press) is an article on "The Great Ecology Issue: Conservation and the Free Market", by Murray N. Rothbard, who will contribute a monthly economic column for the magazine. The article is a libertarian critique of all aspects of the latest Ecology, or Environment, craze.

The forthcoming March issue will focus on a critique of the Pentagon and military spending, featuring an informative inside look at military spending by former Assistant

Secretary of Defense A. Ernest Fitzgerald.

The Individualist is a bargain, available for 75¢ a copy, or \$5.00 per year, at 415 Second St., N.E., Washington, D. C. 20002.

ruling class encapsulated, increasingly fascistic market economy. Joseph D. Phillips' "Economic Effects of the Cold War" and Charles E. Nathanson's "The Militarization of the American Economy" are frightening essays which show just how intimately interrelated business and government have become. It is increasingly difficult (often impossible) to tell where the one sphere ends and the other begins.

Kolko's final chapter "The U.S. in Vietnam, 1944-1966: Origins and Objectives" is probably the best short (52 pp.) overviews yet to appear on the history of the Vietnam War and on Vietnam's strategic importance to the U.S. world empire. The Vietnamese War was not an inexplicable mistake into which the U.S. just happened to slip. Neither is the war a civil war. It is an imperialist war between the people of Vietnam and the American imperialist aggressors aided by their compradors in Saigon.

Kolko goes through the history of U. S. involvement in Vietnam from Yalta and Potsdam, to the victory of the people's revolution in China, to the complete economic support of the French via Marshall Plan funds, to the Geneva Conference of 1954, to American "advisors", and finally through the massive buildup of ground troops and the introduction of advanced mass murder techniques—good old

"Yankee knowhow".

One point is brought out with particular clarity. The U. S. ruling class is indeed rightly worried about the "fall" of Vietnam leading to a series of similar "falls" throughout southeast Asia and elsewhere; for the domino theory is correct, though not in the crude sense that it is usually presented. As the Vietnamese win their self-determination by throwing off the American aggressors and their comprador Saigon regime, other peasants will see that it can be done, and together, the peoples of southeast Asia will ultimately push the American beast from their lands. As this happens the U. S. world hegemony will begin to crumble everywhere, and consequently the domestic system which depends for its stable existence on the world empire will enter a period of internal convulsions.

If libertarians are ever to forge a movement, they must be knowledgeable social critics, thoughtful strategists and relevant activists. To do this, they must know and understand the enemy (they must know whose interests are being defended in Vietnam), i. e., they must know and understand U. S. imperialism. An investment of several hours in reading these three books will take one a long way towards such

an understanding.

--- Vincent Ninell

The Tuccille Book

Sound the trumpet! Ring dem bells! I have recently had the privilege of reading the manuscript of Jerome Tuccille's forthcoming newbook, Radical Libertarianism: A Right-Wing Alternative, which Bobbs-Merrill will be publishing in May. It is an extremely important book, and one which I can

recommend wholeheartedly.

The vital importance of Jerry Tuccille's book lies in its filling a critical gap that has long existed in the libertarian literature. In the past year especially, numerous college students and other new people have shown increasing interest in libertarianism and in our libertarian activities. But, when they come to us and ask for a single book that will clearly, simply, yet comprehensively show them what libertarianism is all about, what have we been able to offer them? Only a scattering of mighty tomes, leaflets, and journal articles, all important, but none of which can provide to the newcomer a clear and comprehensive survey of the field. The loss of adherents to our cause because of this defect has undoubtedly been great.

But now Jerry Tuccille arrives to remedy this crucial defect. The Tuccille book provides, with great lucidity and clarity, inexpensively and in remarkably short space, a thorough survey of not only the basic principles, political, economic, and strategic, of libertarianism, but also an exciting recent history of the libertarian movement, and its relationship to the various strands of "Left" and "Right". Now we have a book to give to the budding libertarian—and one which all of us can enjoy as an overview of the field. After the neophyte reads Radical Libertarianism, we can then supply him with more specialized readings as he so desires.

Another great boon for the cause is the fact that Jerry's book is being published by a prominent, major publisher. This means that the book can and hopefully will be widely available, and also that each one of us can push the book in our local book, library, college, radio, and TV outlets. The Tuccille book gives us a focus for education, and for agitation, a central focal point for our activity. Many youthful libertarians have been understandably restive at the lack of clear-cut forms of activity which they may usefully undertake. Well, here is a center for their activity of which they can be truly proud.

A particularly welcome feature of the book, from my point of view, is the remarkable soundness of Jerry Tuccille's positions on virtually every one of the problems with which he deals. It is not very often that a critic as notoriously finicky as myself, as ready as I am to do battle

| Pleas | SUBSCRIBE NOW se enter a subscription for: | | | | | | |
|--|--|--|--|--|--|--|--|
| Name | | | | | | | |
| Street | | | | | | | |
| City _ | State Zip | | | | | | |
| Subscription is \$7.00 per year. Student subscription \$5.00 per year. | | | | | | | |
| | Bulk Rates. 20 or more, 10% each; 50 or more, 8% each. Libertarian Forum Associate subscription is \$15,00 or more. | | | | | | |
| THE LIBERTARIAN FORUM | | | | | | | |
| Box 341 Madison Square Station | | | | | | | |
| New York, New York 10010 | | | | | | | |

with "heresies" of the right or the left, can find so little to disagree with as in Tuccille's Radical Libertarianism.

You owe it to yourself: read this book, then recommend or buy it for your friends. And then push it—everywhere!

Details on the price, etc., will be printed here as soon as the book is available.

Note: The book has already received a good advance notice in Virginia Kirkus' newsletter for librarians, an excellent one in *Publishers' Weekly*, and a grudging acknowledgment in *National Review*. Onward and upward!

Recommended Reading

Now in paperback:

Two excellent new books, reviewed earlier in the Forum:

James Weinstein and David W. Eakins, eds., For a New America (Random House, paper, \$2.95), reviewed Mar. 15.

Jane Jacobs, *The Economy of Cities* (Random House, paper, \$1.95), reviewed Feb. 15.

Two *economics* textbooks: new and improved editions have recently appeared of the following excellent economic texts:

Morris Bornstein, ed., Comparative Economic Systems (Revised edition, Homewood, Ill.: Richard D. Irwin). By far the best reader on this topic. Contains crucial articles by Mises and Hayek on the impossibility of economic calculation under socialism, Hayek's famous article on the price system as a transmitter of knowledge, Eucken on central planning in Germany, and the best single article on free-market developments in Yugoslavia by Rudolf Bicanic.

W. E. Kuhn, The Evolution of Economic Thought (2nd edition, Cincinnati, Ohio: Southwestern Pub. Co.). A completely neglected volume, this is the best text on the history of economic thought. Contains a full and fair account of Menger, Bohm-Bawerk and the Austrian School, the Mises-Hayek theory of the business cycle, and the Mises-Hayek refutation of economic calculation under social-

ism

The Libertarian Forum

BOX 341
MADISON SQUARE STATION
NEW YORK, NEW YORK 10010

| i | 1 | | | |
|---|---|--|--|--|
| ı | i | | | |
| ł | l | | | |
| 1 | ! | | | |
| ı | l | | | |
| ı | | | | |
| ł | | | | |
| 1 | | | | |

First Class

Published on the first and fifteenth of every month.

Subscription rate: \$7.00 per year; Student subscription rate: \$5.00 per year