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ECONOMIC MESS

If Watergate bids fair to bring down the Nixon Administration, Nixonomics is ever more raucously in the background, ready to administer an extra kick in the gut. For in no area has Mr. Nixon looked less like a strong and wise leader, in no area has he done more weaving, stumbling, and bumbling, than in the vital economic arena. Not only that: but Mr. Nixon's economic sins are fast catching up with him; one of the important new facts about the economic world is that evil effects are now taking a lot less time to catch up with evil causes. In previous decades, when there was more "fat" in the capitalist economy, the sins of the fathers could only be visited upon the sons, or even the grandsons; but now chickens sent out by the President take hardly a few years to come home to roost. The sins of each President are now, more and more, visited upon himself.

President Nixon is now in a fearsome economic mess, at home and abroad, and the accelerating number of his gyrations and "phases" are not helping him in the slightest. They only push him wildly from one set of evils to another and back again, while correctly giving the public an image of a confused and bewildered Chief Executive.

Take the accelerating international monetary crisis. On the black day of August 15, 1971, Mr. Nixon scuttled the last of the Bretton Woods System. Under pressure by foreign central banks to redeem some of their huge accumulated stock of nearly \$80 billion of dollars in gold which we were pledged to pay on demand but did not have, Nixon simply "shut the gold window" in an act of international bankruptcy and bad faith. By his act, Mr. Nixon replaced a bad system by an intolerable one, by a world without a money, a world of fluctuating fiat currencies each at the mercy of their (more or less inflationary) government, a world which threatened to degenerate into the currency blocs, competing devaluations, exchange control, economic warfare, and the shattering of international trade and investment that marked the 1930s. Struggling to recreate an international order with fixed exchange rates — but **without** gold or any other international money, Mr. Nixon drove into existence a new monetary system in the Smithsonian Agreement of December 18, 1971.

President Nixon has made many absurd statements since assuming office, but surely none was more absurd than his laughable hailing of the Smithsonian as "the greatest monetary agreement in the history of the world." To anyone who knew anything about money, left, right, or center, it was clear that no system will break down faster or more thoroughly than fixed exchange rates **without** an international money. The fact that a wider zone of fluctuations than before was allowed around the exchange rates meant nothing. The "greatest monetary agreement" lasted hardly more than a year, and the great monetary crisis of February-March 1973 sent it smashing to smithereens. For the handwriting was on the wall from the very beginning for the absurdly overvalued dollar and the ditto British pound, overvalued in relation to the West German, Swiss, French, and Japanese currencies and in relation to gold. The loss of confidence in the ever more inflated dollar and other currencies sent the price of gold

on the free market skyrocketing to \$125 an ounce — almost a quadrupling of the gold price from the formerly sacred \$35 figure. Finally, in February-March 1973, the pressure on the absurdly overvalued dollar and pound broke these currencies, and the Smithsonian along with them. Once again, market forces and economic law had proved far stronger than the will of governments.

Since March, we have been, on the international front, in a Friedmanite heaven. For exchange rates (except within the West European bloc) have been fluctuating, more or less freely. For a short while, bankers and economists spoke with surprise of how "well" the fluctuating system was working. But the rapid plunge of the dollar in early July has brought the American public up short. Good God! This means that the prices of foreign imports are now 50% higher than last year, it means that American tourists have to spend 50% more than even a few months ago, etc.! And not only do we face far higher prices for foreign products; the cheap American exports are now being snapped up by foreign countries, thereby lowering the supply of these goods at home and raising their prices in the U. S. Cheap exports "import inflation" from abroad. We are beginning to wake up to the fact that the Friedmanite Utopia of freely fluctuating exchange rates means in practice a bonanza for American export interests and for inefficient domestic producers, and suffering for everyone else. And since we have already been burdened by a host of policies subsidizing exports and hampering imports — from foreign aid to protective tariffs and import quotas — the shock of an additional push is rather too much to bear. If there is anything America does **not** need now, it is a massive dose of more export subsidies and import restrictions, which is what a depreciating dollar entails.

So now what? Undoubtedly, we will get frantic scrambles back and forth between fixed and fluctuating exchange rates, with neither policy working well as we try to escape one set of evils by embracing another. The frantic plunge of the dollar in early July was only checked by an announcement of more authority by the Federal Reserve to "swap" by borrowing hard currency in order to support the dollar in the exchange market. But this is obviously a temporary stopgap; the market won't long be fooled by this kind of device. And while the world waffles back and forth between fixed and fluctuating rates, the dread spectre of the 1930s remains: in this case of Western Europe refusing to accept — and indeed dumping — their \$80 billion stock of more and more useless dollars, the fruits of two decades of deficits in the U. S. balance of payments. At some point, the hard money countries of Western Europe will stop the hated flow of dollars by imposing exchange controls, and we will be back in the economic warfare of the 1930s — with a good chance of a world-wide depression to boot.

And neither Nixon nor any other Administration will get out of this mess until we return to the truly free-market system of the gold standard. It is the United States, above all other countries, that is resisting a return to gold to the uttermost, for the sake of preserving its

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On Man And Perfection

By Tibor Machan

A great many theories of government and social organization rest on consideration of man's perfection. From the time of Plato, philosophers and political theorists have formulated much of their thinking about political communities in line with some view about the relationship between ideal man and actual people. Invariably actual people were declared to be "imperfect", "flawed", "lowly" and the like. In theological thinking matters were stated in terms of man's original sin, his pride, or his passion instead of spiritual inclinations.

What is the importance of such thinking for theorizing about the kind of political order mankind ought to institute? And what is the precise meaning of such claims as that man is "flawed" or "imperfect"? To understand what we face in trying to evaluate political alternatives, i.e., different solutions to the basic question of political theory, it is necessary that we become clear on these matters.

References to man's flawed nature, his imperfection and the like, are not simple to understand. Ordinarily when we consider whether something is a flawed or perfect specimen of its kind, we refer to particular items. Thus some particular chair may be ill-designed, some table badly constructed, or some marriage perfect. Even when we consider groups of things, say a line of furniture designed by some firm's team of engineers, we talk about that group's failure to meet standards of excellence appropriate to what is being manufactured. Thus a particular line of furniture may be said to have been badly designed - with reference to certain known purposes chairs - all chairs - have. (Of course it is not easy to offer evaluations even of chairs. A lot depends on what purpose some variety of chair is to serve.) The same is true about, e.g., trees, not just human artifacts. Some, even if few, are perfect for use as Christmas trees, others as material for lumber yards, and yet others as models for artists. Still, when we know that some particular purpose someone has is unobjectionable on, say, moral grounds, then we are able to and will freely judge items which are intended to serve it in terms of the standard of how well they will satisfy that purpose. And then, even if rarely, we may judge something perfect.

When we come to evaluating human beings as such - Man - we meet with a number of difficulties. Does Man serve some purpose? Whose? Who is to judge how well He satisfies it? Very often the answer given is that Man serves God's purposes. Yet there is much debate as to whether anyone of us could even know this much, not alone know what God's purposes are. Generally it is wiser to leave religious questions out of political matters. This is because religion rests on human faith, a very personal, incommunicable matter whatever its nature. Politics, on the other hand, reaches out for clear understanding, rational solutions. We would be unwise to expect that matters of personal faith, including what any of us believes about God's purposes and, therefore, man's capacity to satisfy them, are suited for making political judgments. (Consider that for some religious faiths God has no purpose involving man; for others man's existence, just as he does exist at any given time, satisfies God's purpose; for yet others man cannot even fulfill the purpose for which he is created by God except after his life on earth.) With a realm so individual and inaccessible to common understanding as faith, it is wisest not to attempt to introduce it into areas where common understanding is the very cornerstone of reaching solutions.

Outside of a religious context what sense can we make of the idea that man has a purpose? That is, that mankind - the species itself - serves some purpose? Aristotle tried to make sense of this, albeit not with complete success. He believed that the purpose of man as of any other natural being is to fulfill its essence. This, applied to man, means that each of us as rational animals fulfills our purpose if he lives his life in accordance with our human nature, namely as fully rationally as we, with our individual capacities, can.

But Aristotle's idea is not exactly that mankind as such has a purpose. It is that there is a purpose to the life of each member of mankind. This is generally describable as living according to human nature. Yet because each man is at once a member of the class of mankind and also an individual who differs from all others in important ways, that alone could not convey the meaning of "having a purpose for any given individual." Before we can say what a given man's specific purpose is, we must know something about him as an individual. We need to know what living

according to his human nature, rationally, must mean for any given individual.

If we consider this approach carefully - and it is the only sensible discussion of purpose closely tied to political theory in all of man's history - an interesting thing emerges. **Whether a given individual is or is not perfect cannot be known ahead of time.** And whether mankind is perfect is not even an intelligible question. It would be like asking if trees

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Economic Mess —

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inflationary system. And now that the free-market gold price is \$125 an ounce, it would be easy to return to gold at this — or even a still higher — price. That would give the U. S. and all other currencies three times as much gold to back up their currencies as they have now.

On the domestic economic front, matters are certainly no better. Here we see the Nixon Administration waffling back and forth between innumerable "phases": from tight to loose price-wage controls, to tight to loose again, *ad infinitum*. And each of these phases is working conspicuously less well than the one preceding. In the February 1973 Lib. Forum we wrote that the second Nixon term seemed to be moving away from controls, but that the "sticks were in the closet." Well, they're out of the closet now, of course, with the Draconian Second Freeze of Phase 3½ succeeding a partly tolerable Phase 3. Phase 3½ idiotically froze all prices, but not wages or unprocessed foods; the result was the very rapid development of food shortages, especially meat and margarine. Phase 4 promises to be Phase 2ish, and so on. But Phases 3½ and 4, as is recognized by virtually all economists, are going to break down much faster than Phases 1 and 2, since the economy is now bursting at the seams in an inflationary boom whereas in 1971 we were in a (less) inflationary recession with lots of slack in the economy. So that while it took over a year for Phases 1-2 to break down, the collapse will be considerably faster for the comparable Phases 3½-4. The point of the whole thing is that the Nixon Administration is now committed to price and wage controls, shifting wildly between tight and loose, while at the same time — and despite the publicity on the "tight money" of high interest rates — it continues to expand the money supply by 8-10% per year. It does not have the guts to stop this policy of inflating (money) while trying to hold down or break the inflation thermometer (prices) even though it knows that its policy is economic lunacy. For it does not have the guts to face the recession that is inevitable once the inflationary process has been stopped.

Even Milton Friedman, who has long held that a recession is not the inevitable consequence of an inflationary boom, now admits that a sharp recession is inevitable should the government stop inflating the money supply. It is curious, by the way, that Friedman reacted with far greater horror to Nixon's second freeze than in his rather mild wrist-slapping of August 1971. Somehow he feels that the second freeze is Nixon's real betrayal of free-market principles; but in our view the basic decision to dump the market for price controls was made in Phase 1: all the rest have been gyrations within that basic decision. But I suppose we should welcome Milton, even if belatedly, to the ranks of the indignant.

The prognosis on the domestic front is scarcely happier than on the foreign. Prices are now accelerating at a rapid rate, far more rapidly than in the previous administrations. But the will to stop inflating is clearly not there. And so we can expect a ratcheting series of price inflations, with the eventual super-catastrophe of runaway inflation and the "crack-up boom" looming ever closer on the horizon. Only an iron will of the Administration to stop inflating could reverse this prognosis, and there is no sign of that will anywhere in the Administration. The poor befuddled public, with its eye on price controls, doesn't even begin to understand the problem, and so can be no help in putting pressure on our rulers. The only comfort for libertarians in this grim picture is that we should be able to convert many people to a libertarian, hard-money, free market position with an impressive catalog of "I-told-you-sos". ■

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or roses or fish or the moon, etc., are perfect. But by what standard? To what must trees measure up to be identified as a perfect? The best we can answer is: to the purpose we have for trees in our own lives. But what of fish, moons and the millions of other kinds of entities in nature? To ask whether these are perfect makes little sense. Perfect by what standard, for what purpose?

With man the issue of perfection is a **moral and personal** issue. It has to do with man's nature as a free and self-responsible being. He is free to cause his actions (although, of course, some people are too impaired either mentally or physically to be thought of this way). And he is responsible to choose those actions that will make his life a success. As Aristotle seems to have believed, and I do too, happiness, the successful state of human life, is each man's moral purpose. (Ayn Rand spells this out in detail.) It is with reference to how well each does to satisfy this goal that anyone may be evaluated as either perfect, good, mediocre or downright evil. No other sense can be made of the idea of human perfection.

But what of the claims about man's "flawed" and "imperfect" nature? Surely there must be something meant by these remarks. And indeed there appears to be something important to them. That is that no man has a guarantee for success. Moral excellence is not ensured for anyone ahead of time. Every person must make the effort to be good on his own - he cannot be made to be good.

But the idea that man is "flawed" is often interpreted so that we are given to understand that people cannot be good even if they do their best. Not that man is fallible but that he is necessarily a failure, flawed by his very nature. Yet this cannot be understood at all. How would anyone be knowledgeable enough to say such a thing? It would seem to be presumptuous to declare of all people, past, present and future, that they cannot live a morally good life, that they cannot achieve the best possible life for themselves, given their capacities and circumstances. This kind of a judgment is best characterized as prejudicial - it disregards the perfectly sensible judicial principle of the presumption of innocence. It confuses "free to do good or ill" with "must do ill".

Believing that man is flawed, Marx, for example, thought that it was the inevitable result of revolutionary social conflicts to make him good. Marx did not believe in free will, so he did not take man's "flawedness"

Harper's Last Article

Baldy Harper's last published writing appeared, a week before his death, in the Santa Ana Register for April 13. It is characteristic that Baldy's last writing was in celebration of a powerful tax rebellion movement that has recently appeared in Denmark. (The article is entitled, "Tax Rebel Shows Strong in Dane Poll"). The article writes of the great and rising popularity of Mr. Mogens Gilststrup and his new Progressive Party, the latest poll showing that if an election were now held in Denmark, the Progressives would win 33 out of the 179 seats in the Danish Parliament, making the new party second to the ruling Social Democrats.

Who is Gilststrup, and what is the Progressive Party program? Gilststrup is a tax lawyer and a tax rebel, who two years ago announced on television that had paid no income tax at all on a "very high income," and that he did so through legal tax avoidance. His Progressive Party program is short and sweet: (1) abolish all income taxes over the next six years; (2) reduce the government bureaucracy by 90% (!); and (3) rewrite all the statutes so as to make them short and clear enough for everyone to understand.

Harper, with his keen appreciation of the clear-cut antithesis between the State and private property, concludes as follows:

"The time may fast be approaching when the tax-bowed citizens of western countries will face up to a clear choice between two views: (1) Taxes are part of the person's income that is confiscated without his consent, or (2) persons are owned by the government, in essence, which means that these incomes were owned by the government before being taken as taxes."

to mean that the possibility of evil, as well as of good, is open to all people. He believed that - by virtue of institutional and similar elusive causes - man is necessarily flawed. Only when man had been made automatically good would the perfect society emerge.

Claiming that some equally elusive problem left man to believe in his own freedom, B. F. Skinner, too, asks us to accept that man can be made good by social control. And when one believes that there is something in human nature itself that makes us flawed, it is not unreasonable to try to wipe the flaw out, to make the necessary reparations. We do this, after all, with faulty chairs, cars, cameras, and even human physical organs. So why not with mankind?

It is often this belief in the flawed nature of man that impels people, especially ambitious and impatient ones, toward social engineering. I believe that a clear grasp of what must be meant when we say that man is not perfect - namely that moral perfection is never guaranteed for anyone but must be earned by the individual himself through hard work - will reduce the inclination toward statism, paternalism and totalitarianism. We could then develop societies that assume neither man's perfectability nor his imperfectability.

Such a system would make sure that those who aim to do well in their lives, who try for moral excellence, would not be disturbed by those who are not willing to try for it. Nor would anyone be ordered to live a morally decent life - all he will not be permitted to do is to prevent others from trying. This, I think, is the only nonutopian and yet optimistic approach to man's goal of living in peace with his fellows. ■

Liberty Or Order: 1970 Domestic Spying Plan

By Bill Evers

William F. Buckley's *National Review* once said of Tom Charles Huston that "he radiates a primal personal integrity and conceals remarkable intellectual and political agility behind a facade of Hoosier folksiness. He is one of the young luminaries of American conservatism."

Huston is the young lawyer and conservative political activist who, in the summer of 1970, as a White House aide drafted an expanded domestic intelligence plan for President Nixon. The plan involved spying, wiretapping, burglaries, and the interception and opening of mail.

How did it happen that Huston, a former national chairman of the Young Americans for Freedom student group, came to design a program for the systematic violation of civil liberties?

The answer to this puzzle lies in large part in the ideological concepts of "freedom" and of "order" that are held by men like Huston who are in the leadership of the organized conservative movement in America.

A profile of Huston in the May 24 *New York Times* quoted him as explaining that "repression is an inevitable result of disorder. Forced to choose between order and freedom, people will take order."

The error in Houston's reasoning is twofold. First, there is a philosophical error in not recognizing the difference between a societal "order" that is simply securing to citizens their rights to life, liberty, and the pursuit of happiness and a societal "order" that secures a governmental system, any governmental system in power.

Thus, the American Revolution in the eighteenth century is correctly seen both as a threat to the order of the British Empire and as a defense of the natural order of human liberty. There is always a dichotomy between governmental order per se and liberty. But there is perfect compatibility between total liberty and a natural order securing to all this same liberty.

Secondly, Huston made the practical error of defending not the natural order of full freedom for all, but governmental order. He has subsequently attempted to justify this by contending that at the time the voters were likely to endorse more extensive abrogation of civil liberties, if the Nixon plan was not successful.

But here we see the same opportunistic position that Huston found so distasteful in the Nixon administration's other domestic programs. Borrowing the sort of domestic security program that one might

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Pareto on the Prospects for Liberty

Editor's Note: One of the important but neglected resources for libertarians is the translation of libertarian works of the past that languish unread because of the great language barrier that afflicts even the most learned Americans. Here, Professor Ralph Raico, of the history department of the State University College at Buffalo, one of the notable translators of the movement who brought us the excellent English translation of Mises' *Liberalismus (The Free and Prosperous Commonwealth)* now gives us, for the first time in English, a beautifully written letter by the great Pareto. Vilfredo Pareto, a great Italian libertarian theorist of the late nineteenth century and the early twentieth, began by the turn of the century to despair of the prospects for liberty. He had good reasons for his pessimism, as he saw libertarianism (or *laissez-faire liberalism*) ground down between the socialists on the one hand and the right-wing protectionist statists on the other. It was Pareto's despair at the victory of emotional statist appeals that led him later to the sociological view that the persuasive power of reason was helpless in the grip of irrational motivations. The view, especially for that epoch, was understandable though unfortunate, since it neglects the possibility of libertarian appeals blending reason and emotion as contrasted to the merely emotional propaganda of its enemies. Pareto's letter was originally published in *Le monde economique* of April 10, May 8, and June 5, 1897; and was then reprinted in his *Oeuvres Completes*, Vol. VI, *Mythes et Ideologies* (Geneva, 1956), pp. 113-16.

Letter to M. Brelay
by Vilfredo Pareto

translated by Ralph Raico

My dear colleague,

You are a stout-hearted fellow, you continue to fight for liberty, your writings and lectures are filled with practical good sense. But even you must have some doubts on the outcome of the battle. For myself, I am tempted to believe that the game is really just about lost, except in England and perhaps in Switzerland. As for the rest of Europe, it may be that the triumph of socialism is only a question of time. Besides, you will notice that by now the fight is already merely between different sects of socialists. In Germany, it is imperial and military socialism that fights it out with the socialism of the masses. In Italy and France, the latter is at grips with protectionist socialism. Do you happen to have any preferences for one or another of these sects? I myself don't; and, in any case, it would not be the socialism of established governments that I would defend.

As for the liberals, I search for them in vain. There are, it is true, a few chiefs left, such as Herbert Spencer and our good friend, M. de Molinari. But as for the common soldiers — where are they? At each election, one sees the number of socialist deputies increase. It is true that the number of liberal deputies does not diminish, but that is for the excellent reason that for a long time now that number has been zero. The majority of young people whom I know in Italy and elsewhere are either opportunists or socialists; it isn't necessary to tell you that I much prefer the latter, who may be deceiving themselves, but who at least have generous and decent intentions.

How does it happen that the liberal party, which, in the time of the Cobdens, the J.-B. Sais, the Bastiats, etc., appeared to be assured of a quick victory, now does not even exist anymore in most of the states of the European continent? This fact is due to a great number of causes, which it would take too much time to set forth; but there is one which, though secondary, seems to me rather important, and which I would like to converse with you about a bit.

The great error of the party of economic liberty, in my view, has been and still is today that it is not a political party. When one does pure science, one can and must do analysis; that is, one can and must separate one question from all others and study it apart. No one is more drawn to recognize this principle than myself; I have written a whole treatise on political economy in which I declared that I had no wish to resolve any practical question at all. But when one leaves theory and wishes to lay

down rules for real life, it is necessary to make syntheses. What does it matter to me if free trade permits me gain ten francs, if this same amount is taken away from me again by raising taxes? The loveliest theories are worth nothing if the final result is bad: "I live from good soup, and not from beautiful language." One may hope to make partisans for one's cause by saying: Join us and you will pay thirty or forty centimes for sugar, as the English do, instead of paying one franc ten. But whom does one intend to persuade by saying: Take a lot of trouble, make sacrifices — you will continue, it is true, to pay one franc ten for your sugar, only you will have the satisfaction, the pleasure, the happiness of knowing that it will be because of a fiscal levy and not a protective levy. The point is that in theory this sort of distinction is useful and justified, but in practical politics it is absurd.

Not concerning itself with politics, the party of economic liberty had, it is true, the advantage of recruiting rather promptly a great number of adherents; but it lost in force and intensity of conviction what it gained in

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Liberty Or Order —

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anticipate from a George Wallace in order to avert his gaining electoral strength, is hardly acting in accord with any "philosophical view of what government ought to be doing."

Embracing Only Rhetoric

If Huston had recognized that a free society was the proper environment for human activity, he would have held that a net subtraction of freedom is never justified. If Huston had fully belonged to the individualist political tradition, instead of merely partially embracing its rhetoric, liberty would have been his highest political goal, to which all others were subordinated.

However, Huston and the other adherents of the William Buckley circle of conservatives attempt to fuse a devotion to the prevailing traditional order with a devotion to liberty. In times of crisis, they most often come down on the side of the ruling order rather than liberty.

Huston himself is an admirer of the political thought of John C. Calhoun, whose portrait was on his office wall in his White House years. Calhoun's influence no doubt added to Huston's capacity to rationalize setting up the 1970 espionage program.

Calhoun was both a brilliant, original political theorist and an active politician in the period preceding the American Civil War. But Calhoun rejected the Jeffersonian doctrine that all human beings possessed natural and inalienable rights.

Calhoun argued in his *Disquisition on Government* that "it is a great and dangerous error to suppose that all people are equally entitled to liberty."

"It is a reward to be earned, not a blessing to be gratuitously lavished of all alike — a reward reserved for the intelligent, the patriotic, the virtuous and deserving, and not a boon to be bestowed on a people too ignorant, degraded, and vicious to be capable either of appreciating or of enjoying it."

Huston was inclined to believe with Calhoun that when liberty and governmental order came into conflict, liberty must yield to governmental power. Huston was therefore willing to devise a massive plan to control dissenters.

But Huston's and Calhoun's anti-libertarian approach is an attack upon the social conditions that are right for man. Only when it is generally recognized that, in Proudhon's words, "liberty is not the daughter but the mother of order," and when men are ready to defend such a natural order of liberty, will we have a free society, a society in which virtue can prosper.

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Prospects for Liberty —

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extension. It consoles itself agreeably enough by making fun of its enemies, as the Greeks, vanquished by the Romans, consoled themselves by counting up the grammatical mistakes their masters made. When the scandals break that are an inevitable consequence of state socialism, the liberals, far from profiting from the occasion to make the public aware of the advantages of their doctrine, modestly lower their eyes, keep still, hide and seem truly to fear nothing so much as having been too much in the right. In reality, most of the people who call themselves liberal are quite simply the defenders of the interests of the upper social classes. But these are far from rallying to liberal doctrines; they want more than and better than simply to preserve what belongs to them. They intend to enjoy all the benefits of bourgeois and protectionist socialism, and hardly concern themselves except with the people who can help them in appropriating the goods of others. They do not absolutely scorn the praises that so-called liberal economists bestow on the luxury of the rich. But frankly that is only meager meat in comparison with the good protective tariffs, the good manufacturing subsidies, with the privileges and monopolies of all kinds that they obtain from the right honorable politicians.

The pseudo-liberals have contributed not a little (aided by the socialists) to create the legend that makes of political economy the enemy of the working classes and reduces it to a kind of casuistry in the service of the rich. One is surprised and pained to see men of talent believing in such nonsense. Thus, an illustrious scholar, of whom I certainly shall only speak with the greatest respect, M. Berthelot,* in a recent speech, pronounced the following words: "Above all, far from us these egoistic doctrines of *laissez-faire* and *laissez-passer*, which would suppress any intervention of scientific laws in the direction of societies, as well as the fatal slogan once proclaimed from the height of the tribune as the supreme end of social life: Get rich!"***

What would M. Berthelot say if someone confused the phlogiston theory with modern atomic theory? Well, it is a similar confusion that he commits by mixing up the sometimes illusory speculations of the economists of the optimistic school with economic science.

He probably imagines that "*laissez-faire*, *laissez-passer*" is a kind of fetish adored by certain savages. He certainly is unaware that the theorem that proves that free competition leads to the maximum of well-being is quite as well demonstrated as any theorem in theoretical mechanics. He is unaware that the theorem that shows that every indirect transfer of wealth from certain individuals to certain others is accompanied by a destruction of wealth rests on proofs altogether as sure as those which serve to prove the second law of thermodynamics. If we then proceed to apply these theorems to the social aggregate, he cries out that we want to preclude the "scientific direction of societies." It is as if one applied the principles of thermodynamics to steamengines and M. Berthelot complained that "one intends to exclude the science of the construction of these machines." Isn't it profoundly regrettable that a scientist who justifiably enjoys such a great authority talks in this way about such matters, without trying in the least to understand the precise meaning of the theories he condemns?

Then there is the egoism of "*laissez-faire*, *laissez-passer*"! Oh, yes, truly — it was through egoism that Bastiat demanded that the people not be plundered by means of tariffs, and it was through egoism that Cobden and his friends delivered the English people from the tribute that they paid the landlords. Hasn't M. Berthelot ever gone to England, hasn't he ever read a book dealing with economic conditions in that country? Is he therefore really unaware that it is because in England one "lets things pass" — wheat, meat, sugar — that the workers of that land enjoy much greater well-being than the workers of the European continent? In what part of the world did one find oneself when, in France, an entry-duty was placed on bread, in order to prevent workers from buying it in Belgium. M. Berthelot has only to read the excellent study of M. G. Francois, *Thirty Years of Free Trade in England*, and he will learn that "*laissez-faire*, *laissez-passer*" can, after all, do some good. Let M. Berthelot go to England and he will see the children of workers and farmers eating sweets. Let him then betake himself to Italy, and he will perceive that only the children of the rich may eat candy. Does he know why? Because in England sugar costs forty centimes a kilogram, and in Italy one franc

Public Schools: the Counterattack Begins

By Joseph R. Peden

There is no doubt about the fact that one of the most influential centers of social thought and planning in the United States is the well financed Center for Democratic Institutions in Santa Barbara, California. Under the long time direction of Robert M. Hutchins, former President of the University of Chicago, the Center has become famous for perceiving a crisis before it becomes apparent to others, for setting about the task of creating a "brain trust" to study the various aspects of the crisis-to-be, and then "planning" for its resolution. But unlike so many academic "think-tanks" which send their results in sealed envelopes to appropriate corporate or governmental sponsors, the CDI gives the widest possible publicity to its deliberations and its findings, and often lobbies to get its schemes into being by exerting whatever pressures it can muster.

We have already described the role of the CDI in the creation of an oceanic regime designed to monopolize as much of the territories and

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eighty. Now, if M. Berthelot is ignorant of the reason for this difference in price I can let him know: it is that in England one "lets sugar pass" at the frontier, while in Italy it is stopped in order to enrich the right honorable manufacturers and refiners of sugar, who, it is true share with the politicians. We *laissez-faire* liberals prove our egoism because we demand a stop to this sort of plundering of the people. We prove our ignorance because we reject, for the direction of society, this "science" whose real name is the science of plunder, while the dear little saints who grow rich on the benefits of protectionism and state socialism are living examples of the purest love of neighbor!

As for the advice to "get rich," one must distinguish. Does M. Berthelot really believe that an individual cannot become rich except by appropriating the goods of others? That would be going back, in political economy, even further than one would, in chemistry, in adopting the phlogiston theory! But there is another means of getting rich, which does no wrong to anyone and is extremely beneficial to all of society: it is by creating utilities. It is in this way that whole peoples grow rich. How could a people become rich if each individual of which it is composed became poorer? It is solely due to this growth of the wealth of peoples that progress has been possible; otherwise, we would still live like our cannibal ancestors. It is because they lack food that many savage people kill their aged; it is because we are not yet rich enough that we cannot assist all who are weak. Therefore we must still reiterate this advice to "get rich" (by honest means, of course), for if our societies were richer the question of a retirement pension for old people would be immediately solved.

But what is the use of proving to our adversaries that they are wrong? They still go along perpetually repeating propositions that are perpetually refuted. Have you ever seen them come to answer your speeches? Have they ever been able to deny the facts, refute the reasonings by which you expose the evils of protectionism? They are too prudent even to venture to try. They do suspect a little that neither experience nor logic are to be numbered among their allies, and it is to the passions that they appeal, not to reason. In any case, it's probably because of that that they will triumph. Nothing proves that they will not succeed in reducing our societies to some state resembling that of ancient Peru. Our descendants are destined to see some fine things! As for me, I certainly don't begrudge them their bliss.

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* Pierre Eugene Marcelin Berthelot (1827-1907) was a French chemist and politician. His work was particularly notable in the field of thermochemistry. — trans. note

**The phrase "*Enrichissez-vous*" was supposed to have been spoken by Francois Guizot, French historian and premier under Louis Philippe (1840-48), in response to the query of how non-enfranchised citizens could ever hope to enjoy the right to vote, considering the existence of property qualifications for the franchise. — trans. note

Public Schools —

(Continued From Page 5)

resources of the open seas as it can (*Lib. Forum*, Aug. 1972). Under the direction of old New Deal brain-truster Rexford G. Tugwell, the Center scholars also had the temerity to write a new Constitution for the United States and sponsor dozens of regional conferences throughout the country to "discuss" Tugwell's draft. The reception was so unfavorable in almost all quarters that the scheme seems to have been put in storage for the moment. But if Nixon or his successor ever wishes to formalize his Augustan principate by calling a Constitutional Convention — say in 1976 — the Tugwell draft is there in the dust, like Richard III's crown, waiting to be picked up.

The latest project of Hutchins and his proteges is an open admission that the public education establishment is under seige and in panic; and now is the time for all good men to come to the aid of the "party". Hutchins has announced that the CDI, in conjunction with the Center for Policy Study of the University of Chicago, will undertake an inquiry on public education. Why?

"The political community should be required to justify the prolonged detention of its citizens in an educational system. We need to enquire into the possibility of such justification. We need to answer the question whether public education is any longer useful. If so, on what terms? If not, what is the alternative?"

The questions raised certainly go to the heart of the issue and are a tribute to radical and libertarian critics of the past decade. The first four questions are almost certainly a plea for some intelligent reply to the criticisms of Ivan Illich (See rev. of Illich's *Deschooling Society* by Len Liggio, *Lib. Forum*, Oct. 1971):

"Are universal literacy and numericity of sufficient importance in this decade to deserve the substantial share of educational funds and energies? How shall the terminal point of education be determined? How shall assessed national needs and individual aspirations and propensities be reconciled when they are incongruent? Are schools the appropriate institutions for career education? Job training? Shall maximizing the educability of the deprived, least schooled segments of our population be a matter of first priority?"

Other questions reflect the devastating impact on the public educationist establishment of the findings of Christopher Jencks and his associates (*Inequality: A Reassessment of the Effect of Family and Schooling in America*, Basic Books 1972). As Christopher Lasch has so well said:

"Not only do they (Jencks' findings) undermine the popular belief that schooling is an avenue of economic advancement, they also undermine the progressive version of this national mythology — namely that progressive education policies can be used to promote social justice and a new set of social values: cooperation, spontaneity and creativity. Jencks' evidence strongly suggests that the school does not function in any direct and conscious way as the principal agency of indoctrination, discipline or social control . . .".

This must have been the inspiration for Hutchins' first series of questions:

"Should the primary concern of education be the creation of a political community? If so, how should the political community be conceived? As primarily economic,

concerned mainly with the livelihoods of its members and the productivity of the whole, or as requiring additional dimensions?" Or elsewhere, "Should schools be concerned with the recast of values and loyalties and reformation of character? If so should the aim be one body of values, loyalties or character traits or should a diversity be sought? If this task is held to be inappropriate to public schools, should it be undertaken at all? If so, by what means?"

And as if in response to the challenge of the libertarian-oriented Center for Independent Education's symposium on compulsory education, (held in Milwaukee in Nov. 1972) Hutchins asks: "What, if any community requirements justify compulsory attendance? To what age?"

For those who have asserted the right to an education determined by diverse ethnic, linguistic or religious preferences, (attacked as long ago as the 1950's by former Harvard President Dr. James Conant as un-American because "divisive"), Hutchins includes the question: "Concerning a common language, history and culture: to what extent and in what form shall these be pursued? What degree and form of patriotism? How shall religion be treated?"

The Hutchins study has rightly recognized the enemies of the public school system and properly is examining its defenses. Of course, it appears from a recent article by Hutchins that he has already reached a conclusion on the main issues (Robert Hutchins, "The Schools Must Stay", *Center Magazine*, Jan./Feb. 1973):

"The purpose of the public schools is not accomplished by having them free, universal and compulsory. Schools are public because they are dedicated to the maintenance and improvement of the public thing, the *res publica*; they are the common schools of the commonwealth, the political community. They may do many things for the young; they may amuse them, comfort them, look after their health, keep them off the streets. But they are not public schools unless they start their pupils toward an understanding of what it means to be a self-governing citizen of a self-governing political community."

Another prominent educationalist, Prof. R. Freeman Butts, Russell Professor of Education at Teachers College, Columbia, and long a leading public education ideological commissar, speaks more bluntly than Hutchins, making the same points. In his article "The Public School: Assault on A Great Idea", (*The Nation*, April 30, 1973) Butts asserts that

"to achieve a sense of community is the essential purpose of public education. This work cannot be left to the vagaries of individual parents, or small groups of like-minded parents, or particular interest groups, or religious sects, or private enterprisers, or cultural specialties . . . I believe the chief end of American public education is the promotion of a new civism appropriate to the principles of a just society in the United States and a just world community . . . We require the renewal of a civic commitment that seeks to reverse and overcome the trend to segmented and disjunctive "alternatives" serving narrow or parochial or racist interests".

Butts' open totalitarism, which has its intellectual roots in Plato and stretches down to the Papadopoulos regime of modern Greece, cuts through the liberal romanticism of Hutchins and lays bare the root purpose of public education. Yet Hutchins cries that "nobody has a kind word for the public school, the institution that only the other day was looked upon as the foundation of our freedom, the guaranty of our future, the cause of our prosperity and power, the bastion of our security, and the source of our enlightenment".

It's like being ungrateful to God!



Arts and Movies

By Mr. First Nighter

The Heartbreak Kid. dir. by Elaine May. With Charles Grodin, Cybill Shepherd, Jeannie Berlin, and Eddie Albert.

If, in the old adage, "it takes one to know one," we can perhaps understand some of the brilliance with which the team of Nichols and May hilariously and acidulously satirized the typical conversation and thought-processes of New York-liberal-Jewish intellectuals in their great records of the 1950s and early 60s. Since then, Mike Nichols has gone on to ape the pretentiousness of the people he once satirized, leaving Elaine May to mine the comic vein alone. Her first movie, *A New Leaf*, was simply and happily hilarious, starring the great comedic talent of Walter Matthau, but lacked the old social bite of former days. In *The Heartbreak Kid*, Miss May returns to her old genre, and with the notable exception of Philip Roth, no one is as adept in exploring the cultural differences and conflicts between the Jewish and the *goyishe* worlds. *Heartbreak Kid* is a brilliantly crafted, intelligent, and often funny movie, but it lacks the hilarity of, say, Roth's superb *Portnoy's Complaint* (the book, not the abominable movie). Perhaps the main reason is that, in contrast to *Portnoy*, there is scarcely a character in *Heartbreak* with whom anyone can identify.

The central character, Charles Grodin, is unfortunately so empty, banal, and phony that no one really can care what happens to him (and his fate is left hanging in a highly unsatisfactory "ending"). The obligatory Jewish and WASP wedding scenes are marvellous, but Jeannie Berlin's portrayal of a repellent slob is only countered by the beautiful Cybill Shepherd's portrayal of the WASP girl as a kooky but totally inarticulate dum-dum. As one viewer noted, we are in a heck of a fix when the only admirable character in the picture is the sensible but inarticulate Eddie Albert, playing Cybill's father.

The crucial point is that, to be truly memorable, satire must flow from a firmly held set of values, which the satirist indignantly sees are being violated by the society around him. This was true of such great satirists as Swift, Twain, Chesterton, Waugh, and Mencken. But alas, no positive values are discernible in Elaine May's work and so the satire ultimately sours.

The Day of the Jackal. dir. by Fred Zinnemann. With Edward Fox.

A meticulous and exciting portrayal of the best-selling adventure thriller by Frederick Forsyth, building the step-by-step saga of an unsuccessful, fictional attempt to assassinate Charles deGaulle. The movie is a literal, line-by-line account of the book, which works fine since the novel was virtually written as a screen-play. Unfortunately, Edward Fox is too laconic as the assassin, and therefore his motives and reactions are never touched on, much less explored. The major failure of the movie is the ending, where for some reason Zinnemann unaccountably and for the first time rushes through a situation which requires the continued build-up of suspense. A few more minutes devoted to the ending would have made for a great adventure film.

Sleuth. dir. by Joseph L. Mankiewicz. With Sir Laurence Olivier and Michael Caine.

The great murder-thriller play faithfully transcribed to the screen, probably because author Anthony Shaffer wrote the screenplay. The play-and-movie is an exciting series of gambits and double-crosses which the two principals pull on each other. Olivier does extremely well (fortunately, he does not over-act, as he sometimes tends to do); Caine, while certainly adequate, is not up to Keith Baxter's stage version. Still, a must for lovers of intelligent excitement on the screen.

Theater of Blood. With Vincent Price and Diana Rigg.

The horror-movie, when well done, is one of the cinema's great genres, though it never receives its due from the *avant-garde* critics. Except when corrupted by camp humor or phony psychology, the horror genre consists of an exciting plot with heroes pitted against villains (and what villains!) *Theater of Blood* is a virtuoso *tour de force* for the great Price, who here gets his chance to ham it up as an essential theme of the plot itself. Scorned by the drama critics, Price, a Shakespearean actor, decides to bump off each of his critics in turn, using appropriate scenes from his Shakespearean repertoire. Price is ably assisted by his

daughter, Diana Rigg, one of England's finest actresses, who always projects a fascinating blend of beauty and high competence.

Live and Let Die. dir. by Guy Hamilton. With Roger Moore and Jane Seymour.

James Bond is back, and all's well with the movie world. The Ian Fleming novels, and for the most part the movies in the Bond series, were the quintessence of the Old Culture: marvellous plot, exciting action, hero vs. villains, spy plots, crisp dialogue and the frank enjoyment of bourgeois luxury and fascinating technological gadgets. Some of the Bond series, notably *From Russia With Love*, were great film classics: can we ever forget the introduction of that excellent actor Robert Shaw to the screen, or the delightful movie menace embodied by GPU agent Lotte Lenya ("Rosa Klebb") and her deadly boot?

For most of us, however, Sean Connery is James Bond, a superb blend of toughness and sophistication. But by the last few Bond movies, Connery was visibly aging, and this will not do for Bond. George Lazenby was a weak disaster for one Bond movie, and was quickly dropped. Who to replace the great Connery?

Live and Let Die introduces Roger Moore as the new Bond, fresh from the *Saint* series on television. Moore is properly suave and silky, but he is too slight and debonair to convey the toughness required for the part; Moore is adequate, but he is no Sean Connery. But, for all that, *Live and Let Die* is a great delight, one of the best of the Bond series: tough, witty, exciting, uncompromising. Guy Hamilton does a superb job of direction as we are vaulted from one danger and chase to another.

Another great thing about *Live and Let Die* is its unflinching integrity, its willingness to bring back the delightful old clichés of the action pictures of the 1930s and 40s, to follow the plot of the Fleming novel regardless of any temptation to soften the blow. For the villains are all Negro, and the plot postulates a giant Negro conspiracy covering taxi drivers in Harlem, funeral marchers in New Orleans, and voodoo priests in the Caribbean. It is particularly delightful that *Live and Let Die* brings back the old voodoo themes, with black natives menacing and torturing white captives and finally, after ritual dances, killing them with cobra bites. At the end of the film, Bond even rescues a white, quasi-virgin, ex-priestess of voodoo, from the dread cobra ritual. And the movie brings back the traditional scene of crocodile-alligator menace. Not only does the movie have the courage to follow the novel's racial theme, it is also of course unabashedly "sexiest", as, once again, James Bond converts female villains to the path of righteousness by the sheer *macho* power of his virility. And yet all this is done with such verve and style that there has not been a single yelp from black or women's lib groups. What a corking good movie!

Shaft in Africa. dir. by John Guillermin. With Richard Roundtree.

The original *Shaft* was one of the best and toughest of the delightful "blaxploitation" genre. The acting of star Richard Roundtree was such as to make him a most credible tough black private eye despite his lack of the usual physical attributes of the tough hero. Hated by the black intelligentsia for being a rugged *macho* type instead of the embodiment of "noble suffering," *Shaft* was the delight of black movie audiences. *Shaft in Harlem*, however, was a weak and flimsy sequel; the old black-white confrontation was gone, the movie had little to say, and the protest of black female groups had deprived *Shaft* of his original penchant for sleeping with white females.

But now, with *Shaft in Africa*, the *Shaft* series is back on the beam. Adding an international espionage flavor to the Harlem dude, the movie is the equal of the original *Shaft*. The action is swift and exciting, the dialogue is delightfully sassy, and the hero's amatory activities are again inter-racial as well as intra-racial.

Newport Jazz Festival in New York-1973.

Classic jazz is magnificently Old Culture, an exciting blend of European melody and harmony with African rhythm, developed first in New Orleans at the turn of the twentieth century. As such, it is as far from the mindless cacophony of modern acid rock as it is possible to get.

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Arts and Movies —

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Classic jazz always featured a small band, with drums, bass, banjo, or piano providing the rhythmic framework (and the latter the melody as well), the cornet or trumpet asserting the lead melody, the clarinet riding high above it and the trombone punching its way below. Classic jazz was creative improvisation around the lead melody, provided by the song being played. In classic jazz, risk, and challenge were high: for the challenge was for the musician to be creative and yet remain always within the framework of the written song, and also to blend in harmoniously with the other players. The danger is either to sink into non-creative banality on the one hand (as Chicago "Dixieland" jazz generally did to its New Orleans model), or, far worse, to abandon the melodic framework altogether and thereby get lost in musical solipsism and absurdity. Big-band swing of the late 1930's tended to do both, losing the creativity of improvisation while getting lost in mindless riffs and solo showboating for its own sake (e.g. the endless drum solos of Krupa and Rich.) Finally, at the end of World War II, jazz lost its melody and harmony, and even its rhythm, altogether, and degenerated into "bebop" and ultimately the nihilism of contemporary, or "modern" jazz.

Since great jazz requires great melodic songs at its base, the degeneration of jazz after World War II went hand in hand with the degeneration of the popular song, which finally descended into rock. Without the great melodies, how could jazz remain anchored to a melodic framework and thereby avoid descent into the anti-melodic abyss? Classic jazz, therefore, depended on playing the great tunes, either such marvellous hymns as "Closer Walk to Thee" as with the New Orleans bands, or the superb show tunes of Porter or Rodgers-and-Hart. Hence, the inspired plan of the 1973 Newport-in-New York Jazz Festival to put on "A Jazz Salute to American Song" (July 3) which forced the numerous participants to return, at least in part, to their melodic roots and play classic jazz once more.

The "Jazz Salute" program was, inevitably, a mixed bag. It began with an excellent Dixieland band, headed by the fine cornetist Jimmy McPartland, and ably seconded by Art Hodes on the piano and Vic Dickenson on trombone; playing Irving Berlin tunes, McPartland's band was particularly good in a rousing rendition of "Alexander's Ragtime Band." They were followed by the great jazz pianist, Earl "Fatha" Hines, looking remarkably young as he played notable tunes by Fats Waller, headed by Hines' excellent jazz singing (of which there was alas too little at the concert) of Waller's famous "Honeysuckle Rose." Hines is not my favorite jazz pianist, since he plays not at all lyrically but in great blocks of sound, but he was extremely interesting nevertheless. A special lagniappe was a duet played by Hines and the marvellously breathy tenor saxophonist Illinois Jacquet, of Eubie Blake's "Memories of You." (Blake, by the way, is a magnificent ragtime pianist and

composer, still playing at the age of 90, and still far more powerful and forceful a ragtime and jazz pianist than several men one third his age put together.)

Cole Porter was terribly slighted at the concert, first disparaged stupidly by the promoter (who accused Porter of lacking "sentiment" — read cornball banality), and then raced through a few of his lesser tunes by Teddi King, a poor singer, and perfunctory piano by Ellis Larkins. Then came by far the worst set of the concert, in which the great Duke Ellington was butchered by the harsh screeching of R. Roland Kirk, who played the tenor sax, the monzella, and the clarinet simultaneously and badly; and by the tortured bellowing of Al Hibbler.

The evening was quickly set back on course, however, as the superb jazz pianist Barbara Carroll swung her way lightly and lyrically through such marvellous Harold Arlen tunes as "Come Rain or Come Shine," "As Long as I Live," and "Out of this World." She was well assisted by singer Sylvia Sims (but where O where was Lee Wiley, who even now with voice partly gone is far and away the best female jazz singer extant? For heartbreaking and magical jazz singing at its best, go back and listen to Lee Wiley's record, made twenty-odd years ago, singing Rodgers-and-Hart.) Miss Carroll is one of our finest jazz pianists, and it was good to see her return to the musical scene.

The famous jazz pianist Dave Brubeck then led his band through a rousing rendition of great songs by Jimmy Van Heusen, including "Someone in Love", "Rainy Day", and "It Could Happen to You." Except for a tendency to lose the melody at times, there was happily little trace of Brubeck's old modernism.

The Modern Jazz Quartet then played a set of Gershwin melodies. The MJQ was the best and most classical of early "bop" and "modern" jazz, and there they were constrained by the Gershwin melodic structure to play in their best manner of cool and sensuous elegance, a manner insured by the playing of the famous Milt Jackson on the vibes. It's too bad that the MJQ stuck to the corny Porgy and Bess, which is not really vintage Gershwin (where, for example, was the master's magnificent "But Not for Me"?). And they could well scrap their harshly percussive drummer.

A highly interesting set was the playing of the great Rodgers and Hart (in the days before Rodgers was corrupted by the banal, left-liberal sentimentality of Oscar Hammerstein II), particularly two of the greatest pop songs and show tunes ever written, "My Romance" and "It Never Entered My Mind." The band was excellent, headed by the creamy tenor sax of Stan Getz; unfortunately, the singer was Mabel Mercer, who has enjoyed cult status in the fashionable New York supper clubs, but has literally no voice at all, and simply talks her lines. Still, Getz and the band made the playing worthwhile.

The final set was an excellent one, with the delightful Marian McPartland at the piano and Gerry Mulligan playing a sinuous and superb baritone sax, as they played Alec Wilder's "It's So Peaceful In the Country", "When We're Young", and "I'll be Around When He's Gone." All in all, an important reminder that jazz needs great melodies to make it viable. □

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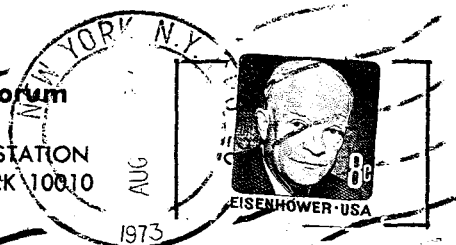
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