

# Libertarian Cover for the Corporate State

by Murray N. Rothbard

Changeovers in Administration are always a disheartening time for any thoughtful observer of the political scene. The volume of treacle and pap rises to the heavens, as the wit and wisdom and the high statesmanship of both the outgoing and incoming rascals are trumpeted across the land. But this year things are even worse than ever. First we had to suffer the apotheosis of Lyndon Baines Johnson, before last November the most universally reviled President of modern times; but after November, suddenly lovable and wise. And now Richard Nixon has had his sharp edges dissolved and his whole Person made diffuse and mellow; he too has become uniquely lovable to all. How much longer must we suffer this tripe? It is bad enough that we have to live under a despotic government; must we also have our intelligence systematically defiled? Already, Ted Lewis of the *New York Daily News*, a dedicated Nixonian, tells us gleefully that the new charm and grace and folksy friendliness of Dick and his aides are so pronounced that maybe this time the Presidential "honeymoon" will last the full four years.

Amidst the cloud of goo surrounding the new Administration, it has been difficult for anyone to penetrate the fog and figure out what the new President is all about. Of the thousands of top jobs at the immediate disposal of the new Administration, only 90 have been filled. We have been getting inured to both parties and both sets of rulers having the same policies; but now it looks as if the very same people continue in power, regardless of who happens to be chosen by the public. How much clearer can it be that the much-vaunted free elections in the United States are a sham and a fraud, designed to lull the public into believing that their votes really count? It had long become physically impossible for any of us to cast a vote against such ageless and lifetime oligarchs as J. Edgar Hoover; now the same applies to almost everyone in government. In the few cases where the same people do not remain, there is a game of musical chairs with a few people shuffling in and out of the usual Establishment institutions: General Dynamics, Cal Tech, Litton Industries, the Chase Bank, etc.

Certainly nothing startling can be expected on Vietnam, where Ellsworth Bunker remains as Ambassador, William Bundy, a longtime hawk, remains in the State Department post on Southeast Asia, and Henry Sabotage returns to head the negotiations in Paris.

Add to all this the fact that the Nixon Administration has been remarkably quiet and torpid – to the hosannahs of the press who proclaim that a return to Babbitt is just what the country needs – and one begins to wonder if there will be any change at all. To the *cognoscenti*, a little-heralded article in the *Washington Post* (Jan. 26) makes clear that a new note will indeed be added. It is a note that will mark the peculiar essence of the Nixon content and style; we might call it "Creeping Cornuellism."

The rise to fame and fortune of Richard C. Cornuelle is a peculiarly 20th-century variant of the Alger success story. Twenty years ago, Dick, a bright young libertarian, was a student of the eminent *laissez-faire* economist Ludwig von Mises at New York University; and with a few other libertarians of that era he soon saw that the consistent libertarian and *laissez-faire* position is really "right-wing anarchism."

As the years went on, Dick decided to abandon the world of scholarship for direct action, which he originally saw as bringing us closer to anarchism in practical, realistic terms. On reading De Tocqueville, he claims to have been the first person in over a century to realize that there exists, in addition to government and private business, a third set of institutions – non-profit organizations. Anyone who had ever heard of a church bazaar also realized this, but Dick brushed such considerations aside; he had found his gimmick, his *shtick*. He dubbed these non-profit institutions the "independent sector," and he was off to the races.

After several years of promoting such startlingly new activities as private welfare to the aged, and loans to college students, Dick found a disciple: T. George Harris, an editor of *Look*. Taking advantage of the Goldwater debacle, Harris published an article in *Look* at the year's end of 1964, hailing Dick Cornuelle as the New Messiah, of the Republican party and of the nation, and heralding as the new Gospel a book which Cornuelle was working on – with the substantial assistance of Harris himself. On the strength of the article, Dick's book was published by Random House, he became Executive Vice-president of the National Association of Manufacturers, and revered advisor to Nixon, Romney, and Reagan, thus pulling off one of the neatest tricks of the decade.

Cornuelle's stress was on the glory of private charitable institutions, and on the importance of businessmen contributing to more private welfare programs. In another worshipful article following up the *Look* piece, the *San Francisco Examiner* (March 28, 1965) asked Dick the \$64 question: In essence, if the voluntary welfare sector is so great, where do *you* fit in? In short, what's your program? Here entered the virus of Cornuellism. For it seems that, as superb as it is, the "Independent Sector didn't keep pace while the rest of the country was

developing." The Independent Sector, it seems, has "never learned to organize human activity efficiently." The *Examiner* adds: To show the Independents how, Cornuelle thinks it may be necessary to add another department to the Federal government, of all things ... It would be an agency that would find out what public problems are coming up and decide how to meet them effectively." Proclaiming enthusiastic support from *all* wings of the Republican Party, as well as – big surprise! – a "number of liberal Democrats," Cornuelle wistfully admitted that the one exception to the Cornuelle bandwagon was Governor Rockefeller, *because* "He's committed to state action as opposed to Federal action." So much for right-wing anarchism!

There is no need to keep belaboring the Cornuelle Saga. After all we are not so much interested in the triumph of one man's career over "dogmatism" as we are in what this portends for the Nixon Administration. For here is what the Washington Post now reports: a "central theme" of the new Administration will be a nationwide drive to stimulate "voluntary action" against social ills. It adds that Secretary George Romney is "in charge of planning the voluntary action effort." This concept needs to be savored: government, the quintessence of coercion, is going to *plan* a nationwide "voluntary" effort. George Orwell, where art thou now? War is Peace, Freedom is Slavery, Voluntary Action is Government Planning.

The *Post* goes on to say that Romney, Secretary Finch, and the President "are devotees of the idea that vast and untapped energies of volunteers in an 'independent sector' can transform the Nation." Nixon endorsed the idea in 1965, and recently declared that "the President should be the chief patron of citizen efforts." And it turns out that last year, Secretary Finch was co-author of a book on the independent sector, with – you guessed it – Richard C. Cornuelle, the "godfather of independent action" and head of the Nixon task-force on independent voluntary action. Two major programs are emerging: a mixed public-private organization chartered by the Federal government to stimulate voluntary action drives, and a series of Presidential awards, like the World War II Navy "E" for Efficiency, to be bestowed by the President in person for outstanding voluntary efforts.

Oh right-wing anarchy, where art thou now? So now we are to have "voluntary" actors bedecked with honors by their Chief, the nation's top coercive actor; and we will have Dick's long-standing dream of a Federal agency to stimulate and coordinate these efforts. *The Libertarian*, for one, would not bet a substantial sum against the prospect of our old friend Dick being appointed to head the new bureau. Who, after all, is better qualified?

But we must not look at this sordid story as merely the saga of a former anarchist who coined a "new" political philosophy which might well result in his climbing to a high post in government. The situation is far more sinister than that. For this "voluntary" hogwash has a familiar smell: the smell of the Presidency of

Herbert Hoover, whose political life-style was one of frenetically promoting "voluntary" programs, with the mailed fist of governmental coercion always resting inside the velvet glove. Hoover's pseudo-"voluntary" New Deal was the complete forerunner of Franklin Roosevelt's candidly coercive New Deal. It has another smell: the smell of Mussolini's fascism, in which coercive government multiplied its power by mobilizing the support of masses of misguided "volunteers" from among the citizenry. And finally, Nixon-Cornuellism has the smell of the burgeoning corporate state – the political economy of fascism – which has increasingly marked the American system. It is the "enlightened" corporate state where nothing is any longer distinctively "private" or "public"; everything is cozily mixed, in an ever-intensifying "partnership" of Big Government and Big Business (with Big Unionism as the happy junior partner). This is the sort of polity and economy that we have in the United States, and Creeping Cornuellism embodies still more of it.

Not only more of it; for Nixon-Cornuellism is, to the libertarian, a peculiarly repulsive variant of American corporatism. For it cloaks and camouflages the viper of statism in the soothing raiment of voluntaristic and pseudoliberal rhetoric. What political style can be more disgusting than that?