Libertarian Review

MAY 1978 $1.25

The man behind the tax revolt: an interview with HOWARD JARVIS

And now an Italian Libertarian Movement by RALPH RAICO

Martyrs of the new prohibition by JUSTIN RAIMONDO

Letters

The money mess

"The Shattered World Economy" by Christopher Weber is the first article I have read in this country whereby Americans are shown to be honest with themselves. Perhaps I have not read everything that has been written on the subject, but, in general, people here are fed a line, such as, "It is good for us because it makes our exports look better."

When other countries who have been dealing with us and are holding a certain amount of U.S. dollars, and the dollar devaluates, those people over there feel the same as I do when someone gives me a check that no one else will take unless you would discount it. But then if the maker is even more reluctant to take it back at a discount then the best thing to do, if you can, is to buy some of his products or property at a bargain price (if possible) and be sure that you end up with more than by holding his check.

My wife and I had some money in Holland and last year we figured that the dollar had devalued perhaps to its lowest point. So we had some of that money sent over. We would have been quite a few hundred dollars ahead yet if we had left it there till now.

So it is not just the other people who are cheated, but the people in this country as well. For we can be sure that this devaluation will seep through to all of us in everything we buy, especially in the goods which are in demand not only here but in other lands as well.

We have heard it said: Some people make things happen, some wonder what is happening, and the majority wonder what happened. This is true as to the governments juggling of the money as well as many other things.

Anyway, thanks for a good magazine.

W. Gerrits
San Jose, California

Austrian economics

A recent "Crosscurrents" column by Walter Grinder (*LR*, December 1977) mentioned a few major universities which libertarians interested in Austrian economics ought to know about. To his list of large universities I would like to add the name of a small college where the ideas of the Austrian school are prevalent.

Grove City College, in Grove City, Pennsylvania . . . , offers a stimulating environment for the undergraduate follower of the Austrian school. In the classroom, the economics department, led by Dr. Hans F. Sennholz, vividly demonstrates to many skeptical graduates of the public school system that there is a viable alternative to statism. . . . Some of the authorities who have come to Grove City include the late Ludwig von Mises, Murray Rothbard, and Henry Hazlitt. . . . Grove City College not only teaches Austrian economics, but practices it as well. Unlike the tax-supported state universities, Grove City receives no government funds. The free market in higher education has determined that in the face of increasing demand for quality, coupled with the dwindling supply of high-quality private colleges, Grove City's excellent, comprehensive curriculum is still available at low cost.

Robert L. Macomber III
Phoenix, Arizona

Advertising policy

Your January-February editorial, "The Conservative Movement", is an excellent statement of the philosophical morass modern conservatives have dredged for themselves, and of the need for libertarians to shun a right-wing image. But there appears to be some inconsistency between your words and your actions.

On page 10 of this issue you malign conservative leaders for not "elevating" their constituencies; for not telling them of "the real need for tolerance"; for not teaching them that "scapegoating of minorities is wrong." On page 11, you present a full-page ad hawking a "Krugerrand-A-Month Plan."

One of the distinguishing characteristics of a conservative is his subordination of moral principles to material gain. Thus it's perfectly reasonable for conservatives to advocate investing in a coin sold and guaranteed by the Republic of South Africa. The sale of Krugerrands is a growing source of revenue for the South African regime. That government's systematic and brutal repression of the freedom of its citizens is not relevant to the conservative who sees a chance to profit by supporting it; but one might expect a different viewpoint among those who stress the significance of the "moral principles underlying self-ownership and individual liberty."

Our sense of tolerance must of course extend to the white South Africans who believe in the principles of apartheid. But when they translate those beliefs into action, a truly consistent libertarian ethic demands that we denounce those actions, or at least refuse to support them—no matter how profitable such support might be. It seems to me that this might also extend to the advertising policy of our publications—no matter how costly such a policy might be.

How about it, gentlemen? Does *LR* set itself apart from the conservative press in words alone? Or do you draw a line, beyond which you refuse to accept advertising encouraging the support of repressive institutions?

R.S. Radford
Martinez, California

The Editor replies:
I quite agree with Mr. Radford; I am not a supporter of the South African regime—nor am I a supporter of those regimes manifesting so-called "black majority rule," which also violate the rights of Africans. Unfortunately, the ad in question appears in Libertarian Review *in virtue of a contractual agreement arranged before my tenure as editor of* LR, *and until the terms of the contract expire, little can be done. While I think the question of support to various regimes around the world is more complex than that suggested by Mr. Radford—what about Russian vodka, or oil from the Arab nations, or raw materials from any of a number of oppressive nations?—I think conservatives—as well as libertarians—might do well to give some thought to the point of view he expresses. Selective indignation is all too common today, with some parts of the political spectrum excusing one form of oppression, and others excusing other oppressive regimes. We must consistently oppose* all *forms of oppression and violations of individual rights. As for the question of what to do about the Krugerrand—or Polish hams (remember the Birch Society campaign of the 1960's?), or coffee from sinister Latin American regimes, or goods from Vietnam, Indonesia, Chile, Uganda, the Soviet Union, South Korea, Yugoslavia,* ad infinitum*—I simply do not know. But Mr. Radford is quite right: the least we can do, as a libertarian magazine, is not to* advertise *for such things. We will try to adopt such a policy as quickly as possible.*
—Roy A. Childs

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ARTICLES

DEPARTMENTS

Editorials

The new killer weed

Drug Enforcement is a slick, expensively-produced magazine published by the Drug Enforcement Agency of the Department of Justice. It is filled with helpful advice to narks the nation over, presents the latest news on "the war on drugs" (there's light at the end of the tunnel, it seems), and—a point hardly worth mentioning—is shot through with lies. The December 1977 issue carried "A Message from the President to the Congress of the United States," over the signature that is by now familiar to many of us (it accompanies those mindless signs thanking us warmly for riding the Number 38 bus, and thus fighting the energy "shortage"). The message is notable, however, for at least one statement: "Penalties against possession of a drug should not be more damaging to an individual than the use of the drug itself." As far as it goes, sensible enough. Carter neglected to mention, though, that at the moment he sent the message to Congress, the U.S. government was involved in poisoning a substantial proportion of the marijuana consumed by Americans, and, indeed, has been so involved since 1975. There is little doubt that this part of "the war on drugs" will result in deaths or in serious damage to the health of many persons, if it has not already done so.

Since 1975, the American government has provided helicopters, advisors, and millions of dollars for spraying fields in Mexico with paraquat, a herbicide and deadly poison (which, in small enough doses, may take years to affect those exposed to it). Since the story started to emerge, Dr. Peter Bourne, Carter's director of drug abuse policy, has denied that the United States has assisted in the spraying of marijuana fields, maintaining that it was used only against poppy fields (as is well-known, *anything* done to heroin users is perfectly acceptable). State Department documents obtained under the Freedom of Information Act, however, give the lie to Bourne's claim. In fact, it turns out, it was American negotiators who pressured the Mexicans into giving up their program of field burnings and using instead the more "effective" method of spraying from the air. And DEA spokesman Cornelius Dougherty has admitted that American observers and spotters are sent on both poppy and marijuana missions. This year Mexico is getting from Washington another $15 million and 18 additional helicopters for the program.

The problem is that there is no way to prevent Mexican farmers from harvesting the sprayed marijuana plants before the plants are killed by the poison, and rushing them to the American market. Here, the marijuana is being bought by unsuspecting consumers, who are thus exposed to a substance which a scientist at the Environmental Protection Agency describes as "a potent killer . . . one of the few herbicides that affects the lungs directly." A private testing lab in Palo Alto, California has now found paraquat in 22 percent of the samples submitted, and the proportion is rising. Difficult to believe, isn't it? The "war on drugs" has come to the point where the American government is engaged in chemical warfare against millions of Americans, teenagers on up—free-born citizens who are, to add financial to physical injury, themselves forced to pay for this murderous assault through taxes for "foreign aid."

This outrageous program has been condemned by publications and writers across the board; even the *New York Times* attacked it editorially, and conservative columnist James J. Kilpatrick termed it an "indefensible and abominable trick." So far, however, no one has pointed out the very precise parallel in America's past. In the 1920s, in the era of alcohol prohibition, the U.S. government systematically added poison to alcohol meant for industrial uses. In this way, it tried to prevent the diversion of the alcohol to use as a beverage. (The story is contained in Thomas M. Coffey's excellent *The Long Thirst: Prohibition in America, 1920-1933.)* It didn't work. In 1925, over 4100 Americans died from the poisoned alcohol; in 1926, at least 750 persons in New York City alone were killed. Dr. Nicholas Murray Butler, president of Columbia University, correctly identified what was occurring. The government, he said, was committing "legalized murder."

Just as the fanatical crusade against alcohol in the first part of this century led to the final absurdity—a government program that poisoned drinkers—so now the savage vendetta against drugs has led to a a parallel absurdity: participation in and funding by the U.S. government of a program that poisons smokers. There is literally no madness, it appears, that the politicians will stop short at in their various wars, real or metaphorical.

Historically, another metaphorical "war" has often ended in similar absurdities: the war on inflation. The pattern here was brilliantly exposed by the great economist Ludwig von Mises. First, the government inflates the currency, thereby producing problems (as it produced problems by defining certain drugs as illegal). Then, when prices rise, it imposes price controls. Then, when shortages appear, it introduces rationing. When a black market emerges, rather than go back on its own policies—which have created these problems one after the other—the government counters with its ultimate weapons. Prison terms and—more than once in history—the death penalty are imposed on the black marketeers and on those who are trying to find some way to feed themselves and their families in the midst of the government-generated chaos. If the policies of the present administration continue, we may live to see a comparable sequence in the war for "energy self-sufficiency."

The U.S. government's interference with the right of every individual to take any drug or other substance he wishes is leading our society to catastrophe. The drug laws—as New York attorney Gary Greenberg has pointed out—are causing the breakdown of our judicial system, as police officers testifying at marijuana trials perjure themselves wholesale. They have led, in the Drug Enforcement Agency, to the establishment of a government bureau that, for its brutality and casual trampling on the rights of the innocent, has come to rival the IRS. Organized crime buys and sells local police departments and grows rich; unorganized crime—fueled by the need to buy drugs at prices driven fantastically high by the new prohibition—turns the great cities of America into jungles. Meanwhile, our sanctimonious leaders continue to chatter about "the eradication of drugs," in unreal platitudes that would be moronic if they were not hypocritical. All Americans—drug users and nonusers alike—must tell Carter, Bourne and the rest that the time has come for the farce to end, that we will not continue to look on while our society is torn apart just because some people—in government and out of it—cannot tolerate the peaceful habits of others. For they have ended—if this *is* the end—by poisoning even the young.

When the U.S. government was adding methanol to alcohol in the 1920s, causing the deaths of thousands of Americans every year, the film star-humorist Will Rogers said: "Governments used to murder by bullet only. Now it's by the quart." And now, it seems, it's by the kilo. —**RR**

Jarvis and the Tax Rebellion

We are on the edge of a nationwide tax revolt, and nothing better symbolizes it than the Jarvis-Gann tax limitation initiative on the California ballot this June. Property taxes have increased drastically in California over the past few years, and the people have had enough. So when Howard Jarvis, 75, head of the United Organization of Taxpayers, and Paul Gann, 65, head of People's Advocate, another taxpayer organization, proposed their initiative a few months ago, they struck a nerve. In a few short weeks, they had collected over 1,500,000 signatures, more than any other ballot initiative ever.

The proposal is a tax-limitation plan not just with teeth, but with fangs. It would limit property taxes to one percent of market value, about one-fourth of the current statewide average; between $5 and $7 billion a year in property taxes would thus be cut back. Moreover, under the initiative, the legislature could not just vote for new taxes to replace that $7 billion. According to the *New York Times*, "it could vote new tax increases only by two-thirds vote. Special tax elections on the local level would require a two-thirds majority of the voters."

Libertarians across the board have endorsed the initiative, from Murray Rothbard to Milton Friedman. In the view of *LR*, libertarians ought to give this proposal whatever support they can. This month, *LR* is running an interview with Jarvis by Contributing Editor Jeff Riggenbach. But there is reason for us to comment on Jarvis's strategy.

Howard Jarvis comes out of the old Liberty Amendment crew. He has all the virtues and flaws of such a right-wing group. On the one hand, he is iconoclastic and brutally honest about the state government. On the other, he has, unfortunately, linked himself with the worst elements of the Right in California by endorsing John Briggs for Governor.

Briggs is a Republican who is trying to ride to the gubernatorial mansion by using the issues of the death penalty—which he favors—and homosexuality—which he abhors—as a route to power. A strong supporter of Anita Bryant, he is not only a firm backer of a California death-penalty initiative, but also the author of an initiative likely to appear on California's November ballot which has the intent of banning gay teachers from the public schools, and may well prohibit any *discussion* of the subject by any employee of the state system. (The exact legal implications are unclear.) It would add insult to injury; not only would gays continue to be bled by taxes which go to support the state educational system, but they would be treated as virtual pariahs as well.

Jarvis's office, in response to questioning from *LR*, claimed that he intended to endorse *any* candidate who endorses the Jarvis initiative. Does that mean he is going to endorse more than one candidate for governor? No answer.

Now this is, quite simply, yet one more case of the death wish of the American right wing. There are a host of gays in California, particularly in San Francisco, as well as a host of opponents of the death penalty. They, like everyone else, are being sent to the wall by taxation. They too are being crippled by skyrocketing property taxes.

Those who *oppose* the Jarvis-Gann initiative realize that *they* need the support of everyone who agrees with them *on that issue* (every bloody parasite and tax-grabbing group in the state), and have publicly commented on the odd, one-issue coalition that they represent in trying to keep property taxes high. Can Howard Jarvis afford to alienate anyone who would join in an *antiproperty* tax rebellion? Why then does he throw Briggs—or even Ed Davis, the caveman *cum* former chief of the Los Angeles Police Department—in the faces of gays and those who oppose the death penalty? Why can't he instead—if he is serious about this tax rebellion—swallow some of his right-wing prejudice and use the same tactic as his opponents: embrace any group, of whatever cultural or political orientation, that will side with him in smashing high taxes? What kind of suicidal self-indulgence allows him to think that he can do anything less and *win?*

Howard Jarvis ought to knock it off and stick to the issue: Is someone for or against cutting taxes drastically? If they are for it, he should embrace them; if they are against it, then he should assail them continually. But above all else, the right wing must stop splitting needlessly the

"natural opposition constituencies" which, taken together, might make for a real rebellion against government oppression in this country.

As for the taxpayers themselves, they ought to support the initiative, come what may. After all, it is a *tax limitation initiative* which finds itself on the ballot, and not the wisdom or person of Howard Jarvis. ●

The saga of Woody Jenkins

Woody Jenkins has been something of a controversial figure of late among libertarians. An interview in *Reason* magazine with the Louisiana Democratic state representative blithely took his self-proclaimed "libertarian" credentials for granted, and moved on to ask him how he, as a "libertarian," fit into Louisiana state politics. Former LP national chairman Ed Crane, in the March letters column of *Reason,* pointed out that Jenkins had been a Wallace delegate in 1976; that he criticized the efforts of the LP as a third party while working with New Right chieftain Richard Viguerie (with whom Jenkins says he agrees "on 90 percent of the issues") in attempting to take over the American Independent Party; and that he favored increasing the defense budget.

Jenkins denied the charges for the most part—dancing around and rationalizing his associations with the hideously antilibertarian George Wallace and with Richard Viguerie—and claimed openly that "as to the suggestion by Ed Crane that I favor an increase in the size of the defense budget, that is false." Then Robert Poole, an editor at *Reason,* gave Jenkins a glowing, euphoric introduction when the latter appeared as banquet speaker before the California Libertarian Party. So much for Woody Jenkins' libertarianism, right?

Wrong. A capsule report in *National Review* confirms our worst suspicions concerning this rather weasley "libertarian." In a report on Jenkins' present campaign for U.S. Senate, we learn *what* Woody Jenkins has latched onto as issues: "In Louisiana, conservative State Rep. Woody Jenkins is challenging incumbent Democrat Bennett Johnston. *Jenkins is attacking Johnston on his defense votes (anti B-1, for South Korean pullout)* and for various high spenderies. . . " (our emphasis). So Woody Jenkins supports the B-1 bomber, and opposes pulling American troops out of Korea. He has also recently publicly confirmed his support not only of the B-1, but of the cruise missile and the neutron bomb. *This* is being "against various high spenderies"? *This* is *not* favoring an increase in the defense budget? Who is kidding whom?

But at least *National Review* knew enough to call Jenkins by his right name: *"conservative."* Any former Wallace delegate who claims to be a "libertarian" ought to be scrutinized with a microscope. In Jenkins' case, simply looking at what he has chosen to make into campaign issues should be enough. That Robert Poole could wax so enthusiastic about such a man is indeed indicative of the lack of judgment which so often manifests itself among the editors of *Reason,* which far too often blurs the critical distinction between libertarian and conservative. In the case of Woody Jenkins, we at *LR* shall resolve to keep that distinction crystal clear. ●

"Gun-in-the-ribs": The true story

As part of its never-ending commitment to the tradition of investigative journalism and to the quest for truth in matters of high politics, *Libertarian Review* has, we believe, gotten to the bottom of the famous "gun-in-the-ribs-of-Rothbard" story that graced Edith Efron's amusing fable in the February issue of *Reason.* Due to the efforts of a friend of ours (who shall remain nameless, since he is the editor-in-chief of a rival publication), we have traced the anecdote to what is in all probability its origin. In 1968, a certain David McReynolds, a white, antiwar activist, was running for U.S. senator from New York on the Peace and Freedom party ticket, which had Eldridge Cleaver as presidential candidate. There was, however, a black radical running for the Senate on the Freedom and Peace ticket. It seems (this is from McReynolds) that some Black Panthers were upset that McReynolds was opposing a radical black candidate. A group of them visited him at the time to "urge" him to withdraw. At one point, one of them reached into a bag to pull something out, meanwhile saying something like, "You'll withdraw or you're a dead man!" Wiser heads prevailed and things were quickly cooled down. Although no one ever saw a gun, it was widely assumed that that was what was involved in the threat against McReynolds, (McReynolds, by the way, didn't withdraw.)

We think it's a safe bet that this incident, *perhaps* reported to her by Murray (it was widely mentioned in New York at the time), was the origin of Efron's "clear" recollection—in other words, she took a story about McReynolds and tangled it up in such a confused way that, in the end, it became a story about *Rothbard* instead. If Murray *did* in fact tell her the story, that he doesn't remember is easily understandable to anyone who has any idea of his capacity for taking in and giving out information—a capacity roughly equivalent to that of the wire services of AP, UPI, and Reuters combined.

So Efron's hyped-up bit of melodrama takes its rightful place—a a piece of sloppy journalism, something she could and should have checked out with Murray. Nonetheless, she's taught us all a lesson. You just can't be too careful with these New Left types. Next time you're having lunch with Benjamin Spock or a drink with Carl Oglesby, be sure to watch their every move. ●

"How I beat the banks — at their own game."

By MARK SKOUSEN

My name is Mark Skousen. Like you, I've dealt with banks all my life. And, like you, whenever I needed a loan, it seemed as though the banks held all the cards.

"The banks never give the average guy a break," I used to say.

Then, about three years ago, things started to change—dramatically. I discovered that increased competition among banks had opened up *dozens* of opportunities for borrowing and making money—on amazingly favorable terms. I learned how to *beat* the banks—at their own game. *And you can, too!*

Today, I'm on the highroad to financial success. Using the banking and credit secrets I discovered, I can now borrow $25,000 anytime I please. I earn high returns on my savings, which I can withdraw at any time *by check*. I own a sports car and a sedan free and clear. I live in an $80,000 home, and I have the time and means to travel several times a year.

How did I do it? With a little investigating—and some creative thinking. I talked with bank officials. I read banking literature—*between the lines.* Slowly but surely, I began picking up the "tricks of the trade" which had previously been known only to banking insiders.

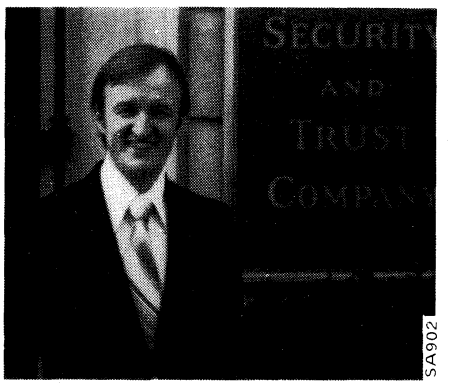
Then one day, I discovered the most powerful idea in consumer banking history: *An unlimited source of overnight capital at favorable interest rates!* I call it *"The Perfect Loan."*

How To Raise $25,000 Overnight

I became aware of this new financial opportunity when a friend of mine told me how he got out of some financial troubles. He told me about a brand new source of personal loans—and how he had been able to borrow tens of thousands of dollars from banks *without* revealing the purpose of the loans and *without* putting up any collateral. He didn't have to use the money right away—he could let it sit in the bank. And he didn't have to pay any interest until he actually used it. When he finally needed it, the money was there waiting for him.

This I had to see for myself. To my surprise, my friend was absolutely right. I found that I too could borrow thousands of dollars overnight, even though I had only an average income. But that was only the beginning. *I found that this was the world's easiest and best way to raise money!*

First of all, I could qualify for these instant, unsecured loans without ever



sitting down with a loan officer. Everything could be done by mail!

Second, I could use the money for any purpose I saw fit. I could use the loan for a down payment on a house, to start a new business, to buy a color TV, or to purchase stocks. It was completely up to me.

Third, the interest I paid was much less than what I would pay using my credit cards. And with some conservative techniques, I found that I was able to reduce the interest charges to less than 10%—not bad for a personal loan.

Fourth, I discovered, much to my surprise, that I was able to borrow this money *indefinitely!* It was completely up to me how much I wanted to pay back. By following the insider's techniques I developed, I could postpone repayment of the loan for months without any problems from the bank. In fact, it gave the appearance that I was a better credit risk!

Yes, things have worked out very well for me. But one day I thought, "All this is too good to keep to myself. Why not share my knowledge with others?" And so I've written a book that tells everything I've learned. It's called THE 1978 INSIDER'S BANKING & CREDIT ALMANAC.

The "Perfect Loan" and More

My book covers all the details of "The Perfect Loan," just as I've described it above. But that's only the beginning! The ALMANAC opens up a whole universe of new banking and credit opportunities:

- Checking accounts that pay interest.
- A new way to earn 10% on your savings account.
- Visa and Master Charge centers that give *free* cash loans.
- A bank that offers a $5,000 line-of-credit on the prestigious American Express "gold card" at only 10% interest.
- A U.S. checking account literally backed by 100% gold bullion.
- How to earn 12% on a 7¾% certificate of deposit.
- How to get *free* life insurance . . . even if you're normally *uninsurable!*
- How to conduct your financial affairs without a U.S. checking account (for those who seek complete privacy from government snooping).
- A Visa center that *pays you* 1% of the total purchases you make using the card.
- How to postpone bankruptcy forever.
- How to save up to $100 a year on your checking account.
- How to get free travelers checks, free money orders, and free notary service.
- The advantages of having a U.S. dollar account in Canada.
- How some Americans earn 30% a year with a Swiss savings account.
- How to buy a home with no money down.
- A new way to earn high yields when short-term interest rates are low.
- How to legally avoid the foreign bank reporting requirement of the IRS.

To get your copy, print the words "Banking Almanac" on a plain sheet of paper, along with your name and address. Enclose a check for $12.95 payable to my publisher, Kephart Communications, Inc. They pay postage. (Or, charge your VISA, AMEX or MC account by including name of card, number and your signature. We charge $1.50 extra for postage and handling on credit card orders.)

Mail to Kephart Communications, Inc., Dept. 3278, Box 2599, Landover Hills, Maryland 20784.

You're protected by my *unconditional money-back guarantee:* Read the ALMANAC. Try any—or all—of the techniques I outline. Then, if you're unhappy with the book for any reason whatever, simply return it within three weeks and I'll refund every penny. Fair enough?

You need my book for one excellent reason. The banks tell you what's good for *them*. I'll tell you what's good for *you.*

Mark Skousen

The Public Trough

Libertarians and the "New Right"

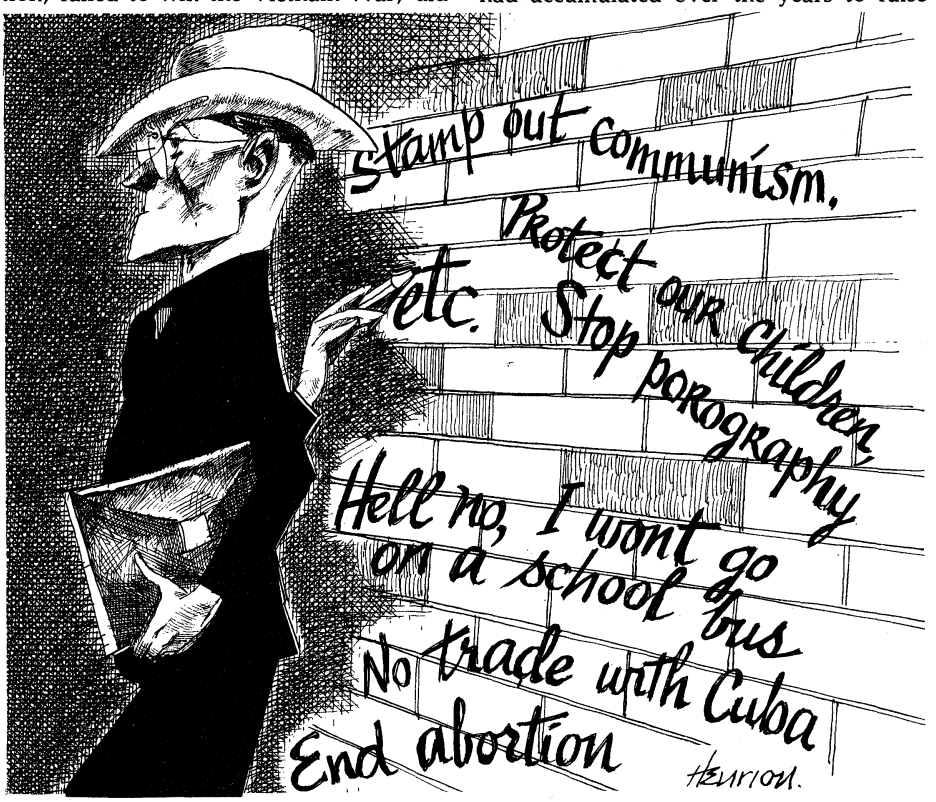
by Bruce Bartlett

For approximately two years now, the New Right has been a hot topic of conversation in Washington. At first it appeared to be a passing phenomenon, connected largely with presidential bids by George Wallace and later Ronald Reagan. Since the 1976 election, however, the New Right has continued to grow and prosper. Since it now seems that the New Right is something of a permanent fixture on the political scene, questions arise: How does it relate to libertarianism? Is it a threat or will its existence ultimately strengthen libertarianism?

First off, one should know how the New Right differs from the Old Right. The New Right is largely a creation of conservative disillusionment with Richard Nixon. Nixon, they believe, was elected as a conservative but betrayed his constituency. He made overtures to Communist China and the Soviet Union, vastly increased government spending, did not appoint conservatives to high offices in the Administration, failed to win the Vietnam War, did not clean the subversives out of government, etc., etc. Nixon's final betrayal was that Watergate destroyed what little good he had accomplished in terms of electing conservatives to Congress; they largely were defeated in 1974 and 1976 as a result.

Perhaps the final impetus toward establishment of the New Right as a permanent fixture was oddly enough, the election of Jimmy Carter. Carter was elected as a conservative, and his political base lies precisely where the New Right sees its future: the rural areas of the South and West where old values of community and family are strongest.

It was Richard Viguerie who finally put the pieces together and began to exploit the vacuum created by the destruction of Richard Nixon, who had been a symbol of the Old Right. Viguerie, a direct-mail advertising wizard who had done work for the George Wallace campaign, began to use the vast mailing lists of conservatives he had accumulated over the years to raise money to finance a new kind of conservative political action. His message was simple: The country is overwhelmingly conservative, but this fact cannot be effectively exploited by the Old Right because of their dogmatic belief in the free market and antagonism for the welfare state.



What Viguerie and the New Right believe is that we can make a distinction between economic conservatism and social conservatism. The two are basically incompatible because people are not willing to vote for elimination of the welfare state but will vote against liberal issues such as abortion, busing, pornography, progressive education, etc. The New Right hopes to elect its candidates on opposition to these things while not threatening whatever benefits a person may be getting from the welfare state.

This is a very powerful program and everyone knows it, because it strikes at the base of support for both parties. Moreover, Viguerie makes the point that the New Right is just as happy to elect conservative Democrats as it is to elect Republicans. The New Right also believes in purging those who don't toe the line; regardless of their party or what they have done in the past. Nevertheless, the New Right continues to operate within the existing party structure, preferring to make its views felt through support for individual candidates and mass-mail campaigns.

Of course, despite all the bickering, it is clear that the New Right and the Old Right have more in common than they have differences, at least by comparison to libertarians. For example, the New Right and the Old Right are 100 percent in agreement on foreign policy: They both believe that nuclear war is imminent, or at least that a Soviet invasion of Western Europe is on the way. They believe that the Panama Canal Treaty must be defeated at all cost. And the New Right and the Old Right do not really disagree on social issues. It is more a question of emphasis.

But all in all one must conclude that the New Right is far more evil than the Old Right. What the New Right wishes to do is jetison precisely those attitudes that libertarians and the Old Right shared toward economic issues. And the New Right wants to emphasize precisely those issues upon which libertarians and conservatives most disagree: national defense and civil liberties. In fact, the New Right is on exactly the opposite side of virtually every issue of concern to libertarians. In this respect, they are certainly worse than run-of-the-mill liberals, who at least generally believe in such libertarian things as

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Crosscurrents

by Walter Grinder

•Nozick vs. Marx

"Why R. Nozick is Doing Much Better than K. Marx" read the rather unexpected headline over a column by Oliver Stutchbury in the January 25 issue of *The Times* of London. A most laudable sentiment, like the London Bridge Station graffito which inspired it, "K. Marx is Dead; R. Nozick Lives." Could all this mean that libertarianism is on the verge of becoming a significant international intellectual movement?

In more basic terms, what is there about Prof. Nozick and the doctrine of libertarianism that could captivate the imagination in any way close to that accomplished by Marx and Marxism?

The *Times'* writer underscores the key to Nozick's rise in esteem in intellectual circles previously immune to individualist philosophy—namely, Nozick's total destruction of government actions aimed at enforcing "distributive justice," deeds animated by certain "end state" principles. As we all know too well, most governments are often guided by a political philosophy which honors more egalitarian distribution of wealth as its highest goal.

In place of these ideals of quality held up as a standard of justice, Nozick has offered us instead an "historical principle"—the "entitlement" theory of justice. Nozick, in his National Book Award-winning *Anarchy, State and Utopia,* follows Locke in positing that individuals have certain rights that no person or group of people (especially governments) may violate. Stutchbury makes the significant point that for Nozick, moral philosophy—not utilitarian gimmickry—serves as the basis for political philosophy. Governments should be constrained from doing anything other than protecting their citizens' moral rights from invasion—and that's all. Hence Nozick's advocacy of the minimal state.

How, then, does one go about determining and protecting individuals' rights in the real, political world? The answer is through property—both self-ownership and its material extension to personal and real property (with these latter acquired either directly from an original state of nature, or from an exchange, or from a gift). The key to justice—whether moral, economic or social—thus lies in the justness of the original acquisition and of any subsequent transfers of ownership.

Under Nozick's entitlement theory of justice, justice is historically expressed and objectively embedded in property rights. He presents the concept as follows:

(1) A person who acquires a holding in accordance with the principle of justice in acquisition is entitled to that holding.

(2) A person who acquires a holding in accordance with the principle of justice in transfer from someone else entitled to the holding is entitled to the holding.

(3) No one is entitled to a holding except by (repeated) applications of (1) and (2).

The complete principle of distributive justice would say simply that a distribution is just if everyone is entitled to the holdings they possess under the distribution.

Compared to prior theories, this concept is quite a radical and morally attractive standard by which to judge the actual world. And once this uncompromising entitlement theory becomes widely known, it is indeed likely to capture the imagination of the new generation. If it does, it could very well replace Marxism as *the* international radical ideology. Libertarianism, with this strong moral plank, could thus assume a position of moral and ideological leadership in the international antistatist, anticollectivist liberation movement.

Just imagine the implications of the libertarian entitlement theory in confrontation with the neo-feudal, less developed countries of the world. Or with the "socialist" state-capitalist block of the USSR and Eastern Europe. Or the "political capitalist" social economies of the West. The entitlement theory of justice is the moral foundation of a spectre that should truly haunt the statists of the world, and one that should make them tremble. Imagine again, the growth and development of a party based on humanity and justice, that will rise to the defense of victims of aggression, *not*

Robert Nozick

because it is historically determined to do so, and *not* because it will increase social utility, but because it is *the right thing to do.*

Yes, the entitlement theory of justice should also shake apart the tired and woefully pragmatic doctrines of end-state utilitarianism,—the cursed Benthamism, in all its permutations, that has proved the bane of liberty's existence for almost 200 years. During the 19th century, utilitarianism almost singlehandedly short-circuited the great classical liberal revolution. What Nozick has done in the highest philosophical circles—and hopefully in popular graffiti circles as well—is to reposition the doctrine of individual rights and justice-in-property center stage in the discussions and debates of political philosophy. He has, in effect, presented a viable alternative both to Marxism and to neo-Benthamism. In so doing he has helped libertarianism take a major step on its way to victory.

Now it is up to the rest of us to make certain that the libertarian momentum grows and ultimately succeeds as an international movement. Let's hope that there are many more Oliver Stutchbury's out there to comment favorably on more and more Nozickian graffiti.

•A liberal looks at libertarianism

A further indication of the growth of libertarianism can be found in the January issue of the left-liberal magazine *The Progressive.* Carol Polsgrove, in an article entitled "In Pursuit of 'Liberty'," renders a fairly evenhanded assessment of the libertarian movement and of libertarian positions on a number of issues such as taxation, gay liberation, national police agencies, etc. She discusses the state of the Libertarian Party, quoting ex-National Chairman Ed Crane on a number of matters, while mentioning the main intellectual leaders—John Hospers, Murray Rothbard, and Robert Nozick—along with the titles of their books.

Ms. Polsgrove appears to be somewhat amused by her subject, but on the other hand she seems to be genuinely sympathetic with libertarianism *until* she gets to its free-market implications. Like most left-liberals, Ms. Polsgrove neither understands nor appreciates the nature of the market process; therefore, it seems, she cannot see the intricate and mutually supporting relationship between economic freedom and political liberty. She dusts off several of the old cliches about the freedom to starve and the coercion of the marketplace, and she brings them out to play yet one more time. It would be easy either to dismiss her points for the hackneyed phrases that they are or to strike back in kind, but I think that perhaps we should listen and try to determine if there isn't something that we can learn from her critique.

There is one point in particular which she makes that has been of concern to me for some time. It involves a label that Classical Liberalism picked up early on and one that it was never really able to shake. Polsgrove and many other liberals assume that libertarians are obsessed with the human function of productivity and with the much vaunted virtue of work. With that premise in hand, and with a couple of quick jumps in logic, suddenly those who would defend the free market are tagged both with a materialist fixation and with defending the related assumption that man is born first and foremost to toil—which is thus a person's function and defining characteristic.

It is true that, under the combined ideological regime of Calvinism and of British classical economic doctrine, there was a dual concentration on both the Protestant work-ethic and on wealth (the latter as the central focus of both economic study and economic activity). It is also true that, under this combined regime, man was seen primarily as a productive creature or as a factor of production. This attitude has continued down through history both in certain strands of conservative thought, and in the forefront of the Marxist branch of classical economics.

In spite of libertarianism's concentration on the spiritual aspects of liberty (following mainly in the steps of the French Classical Liberals), and in spite of the fact that most libertarians base their definitions of productivity on the *subjective* approach of the Austrian School of economics, we libertarians still run the risk of being tagged as crass and arid materialists unless we can ward off this horrid aura of Calvinism. And until we do, we are not likely to make much headway among American liberals.

As long as the concept of the libertarian society is presented in economistic terms, it will be perceived in like terms. As long as libertarianism is associated in the "thinking" public's mind (e.g., Ms. Polsgrove) as a philosophy that both views and presents people merely as means to ends and not also as ends in themselves, libertarians will continue to receive the condemnation of liberals like Ms. Polsgrove

The libertarian society is *not* a blueprint or program for promoting greater output of goods and services. It clearly is not the purpose of libertarianism to develop more productive agents.

The *raison d'etre* of libertarianism is to work towards the fulfillment of a social system in which justice reigns; that is, a society in which the *rights of all individual persons* are protected, a society in which each individual person receives that to which he is justly entitled. The aim and the very reason for the existence of libertarianism is to protect the rights of individual persons—diverse, unique, sacred, potentially good, creative, and, of course, productive. It is indeed a happy circumstance that the seemingly inherent tendency and desire of each individual to improve his or her station in life tends, without central design or command, to propel the society and economy towards an improved material standard of living. But to take this happy byproduct of freedom as *the* defining characteristic of libertarianism is to miss the point entirely.

We can hardly blame Ms. Polsgrove for not seeing the liberating aspects of private property and the free market economy. Most libertarian spokesmen have not gone very far in trying to make this point clear to those who disagree with them. On the contrary, many of the recent spokesmen for libertarianism have gone out of their way to emphasize—almost totally excluding the universal liberating aspect of private property and the free market—the cold, harsh, economistic, and Calvinistic aspects of utilitarian capitalism. Particularly in this regard, I refer to the unfortunate influx of the Randian influence on many a libertarian's thought patterns during the past two decades. Once we are able to shake off this baggage of economism, libertarianism will, I think, begin to flourish among liberals of high moral caliber. Then, those well intentioned liberals like Ms. Polsgrove will begin to see that libertarianism is the only *really* consistent liberal doctrine and ultimately the only true party of humanity. ●

New Right

(continued from page 8)

freedom of speech, civil liberties and free trade.

This is not to say that libertarianism will suffer as a result. So long as the New Right is prevented from gaining actual political power, its effect will be largely to polarize and perhaps destroy the Old Right. At this point, libertarianism may pick up what support is left for the Old Right, since it will have nowhere else to go. And the New Right may scare the liberals into stronger support for those areas where libertarians are most in agreement with them. The ultimate result may be a strengthening of support for libertarianism.

Liberty's Heritage

Wilhelm von Humboldt

by Ralph Raico

When Oswald Spengler, in one of his minor books, scornfully characterized German classical liberalism as "a bit of the spirit of England on German soil," he was merely displaying the willful blindness of the school of militaristic-statist German historians, who refused to acknowledge as a true compatriot any thinker who did not form part of the "intellectual bodyguard of the House of Hohenzollern." Spengler had apparently forgotten that Germany had had its Enlightenment, and the ideals of freedom which were conceived and propagated in England, Scotland, and France towards the end of the eighteenth century had found an echo and a support in the works of writers such as Kant, Schiller, and even the young Fichte. Although by 1899, William Graham Sumner could write that "there is today scarcely an institution in Germany except the army," it is nevertheless true that there existed a native German tradition of distinguished, libertarian thought, which had, in the course of the nineteenth century, to some degree at least been translated into action. Of the thinkers who contributed to this tradition, Wilhelm von Humboldt was unquestionably one of the greatest.

Born in 1767, Humboldt was descended from a Junker family which had faithfully served the rulers of Prussia for generations—a fact which was later to cause surprise to some of those who heard young Humboldt in conversation passionately defend personal liberty. He was educated at Frankfurt-am-Oder, and later at Gottingen, at that time one of the centers of liberal ideas in Germany.

In the summer of 1789, Humboldt undertook a trip to Paris in the company of his former tutor, Campe, who was a devotee of the *philosophes*, and now eager to see with his own eyes, "the funeral rites of French despotism." His pupil did not share his enthusiasm for the revolution, however; for from what Humboldt had witnessed at Paris and from conversations with Friedrich Gentz (at that time a supporter of the French Revolution) there came a brief article, "Ideas on the Constitutions of States, occasioned by the New French Constitution."

This little essay, originally intended as a letter to a friend, is noteworthy for a number of reasons. In the first place, Humboldt appears to have arrived at some of the major conclusions of Burke, without at that time being familiar with the latter's work. He states, for instance, that "reason is capable to be sure of giving form to material already present, but it has no power to create new material. . . . Constitutions cannot be grafted upon men as sprigs upon trees." For a new political order to be successful, it is necessary for "time and nature" to have prepared the ground. Since this has not been the case in France, historical analogy compelled an answer of "no" to the question of whether this new constitution will succeed.

In addition, this essay anticipates an idea central to the thesis of Humboldt's most important work on political theory, which was never far from his mind whenever he deliberated on the nature of man—the notion that, "whatever is to flourish in a man must spring from within him, and not be given from without."

Wilhelm von Humboldt

On his return to Berlin, Humboldt had been given a minor post at the law court. But the relative freedom of thought which had been enjoyed in Prussia under Frederick the Great was at this time being replaced by persecutions of the press and religious intolerance; Humboldt did not find the atmosphere of public life congenial. Added to this was the disinclination which he felt to interfere in the lives of others (a nicety of feeling almost grotesquely out of place in a "public servant"). Most important of all, perhaps, was the new conception which he was beginning to formulate of the legitimate functions of government, a conception which virtually compelled him to look on the states of his time as engines of injustice. In the spring of 1791, Humboldt resigned his position.

'The Limits of State Action' is a book which sets forth, for the first time, the major arguments for freedom.

The genesis of his major work on political theory, and the one of most interest to individualists, is also to be found in discussions with a friend—Karl von Dalberg, who was a proponent of the "enlightened" state paternalism then prevalent in Germany. He pressed Humboldt for a written exposition of his views on the subject, and Humboldt responded, in 1792, by composing his classic, *The Limits of State Action.*

This little book was later to have a good deal of influence. It was of importance in shaping some of John Stuart Mill's ideas in this field, and may even have provided the immediate occasion for his *On Liberty.* In France, Laboulaye, the late-nineteenth-century individualist, owed much to this work of Humboldt, and in Germany it exercised an influence even over such a basically unsympathetic mind as von Treitschke's. But it is also a book which has an inherent value, because in it are set forth—in some cases, I believe, for the first time—some of the major arguments for freedom.

Humboldt begins his work by remarking that previous writers on political philosophy have concerned themselves almost exclusively with investigating the divisions of governmental power and what part the nation, or certain sectors of it, ought to have in the exercise of this power. These writers have neglected the more fundamental questions, "To what end ought the whole apparatus of the state to aim, and what limits ought to be set to its activity?" It is this question that Humboldt intended to answer.

"The true end of man—not that which capricious inclination prescribes for him, but that which is prescribed by eternally immutable reason—is the highest and most harmonious cultivation of his faculties into one whole. For this cultivation, freedom is the first and indispensible condition." Humboldt thus begins by placing his argument within the framework of a particular conception of man's nature, but it ought to be noted that the validity of his argument does not depend upon the correctness of his view of "the true end of man." Of primary importance are his ideas in regard to the mechanism of individual and social progress; and here even such a socially-minded utilitarian as John Stuart Mill could find instruction and inspiration.

For the full flourishing of the individual, Humboldt asserts, there is requisite, besides freedom, a "manifoldness of situations," which, while logically distinct from freedom, has always followed upon it. It is only when men are placed in a great variety of circumstances that those experiments in living can take place which expand the range of values with which the human race is familiar. It is through expanding this range that increasingly better answers can be found to the question, "In exactly what ways are men to arrange their lives?"

A free nation would, according to Humboldt, be one in which "the continuing necessity of association with others would urgently impel each gradually to modify himself" in the light of his appreciation of the value of the life-patterns others have accepted. In such a society, "no power and no hand would be lost for the elevation and enjoyment of human existence." Each man, in applying his reason to his own life and circumstances, would contribute to the education of other men, and would, in turn, learn from their experience. This is Humboldt's view of the mechanism of human progress.

It should be clear, however, that this progressive refinement of the individual personality can take place only under a regime of freedom, since "what is not chosen by the individual himself, that in which he is only restricted and led, does not enter into his being. It remains foreign to him, and he does not really accomplish it with human energy, but with mechanical address." This is one of the central ideas of the book, and merits some discussion.

It is an idea which no one will dispute when it involves a question of scientific progress. No one expects worthwhile scientific thought to take place when the scientist is compelled or restricted in some important facet of his work. He must be free to develop his ideas, in accordance with the self-imposed standards of his profession,

In a free nation, each man would contribute to the education of other men, and, in turn, learn from them.

out of his own originality. But scientific knowledge is only one type of knowledge; there are other types, some at least as socially useful. There is the knowledge which consists in skills and techniques of production, and the type which, as we have seen, is embedded in values and ways of life: Besides knowledge which is acquired through *abstract* thought, there is the sort of knowledge acquired through *practical* thought and through action. The argument for freedom in the elaboration of scientific knowledge, therefore, is simply a special instance of the argument for freedom in general.

Professor Michael Polanyi has described the benefits of "individualism in the cultivation of science"

> The pursuit of science can be organized . . . in no other manner than by granting complete independence to all mature scientists. They will then distribute themselves over the whole field of possible discoveries, each applying his own special ability to the task that appears most profitable to him. Thus as many trails as possible will be covered, and science will penetrate most rapidly in every direction towards that kind of hidden knowledge which is unsuspected by all but its discoverer, the kind of new knowledge on which the progress of science truly depends.

Few will doubt that scientific progress would have been appallingly retarded if, for instance, Einstein had been compelled to obtain permission from a board in charge of "planning science" before he could undertake his researches (or if a government commission had been empowered to pass on Galileo's intended work!). But if men like Henry Ford had not been free to put their ideas into operation, industrial progress would have been no less stanched. We may concede freely that the abstract scientific thought of an Einstein is a loftier thing, representing a greater achievement of the human mind. But this has no bearing on the argument.

We believe that individual scientists should be unhindered in the pursuit of their aims, because those who would be in charge of the central direction of scientific research, or those who had power to restrict scientists in essential ways, would not know as well as the scientists themselves—each of whom has an immediate knowledge of the relevant factors in his particular situation—which are the most promising lines to be explored. In addition, a self-chosen activity, or one which may be followed up freely in all of its ramifications, will summon forth energy which will not be available in cases where a task is imposed from without, or where the researcher meets up against countless frustrations in the pursuit of his goal—the free activity, in other words, will command greater incentive.

But both of these propositions are equally true of activities involving practical knowledge, or knowledge in action, of which techniques of production are an example. The socialist who believes in central direction of economic activity ought, consistently, to believe also in the central planning of science; those who favor widespread government control of economic life, because the state "knows better," should, if they were consistent, favor a return to the system that shackled the scientific enterprise as well.

It was partly because force *necessarily* interferes with individual self-development and the proliferation of new ideas, by erecting a barrier between the individual's perception of a situation and the solution he thinks it best to attempt, that Humboldt wanted to limit the activities of the state as severely as possible. Another argument in favor of this conclusion is that a government wishing to supervise to even a modest degree such a complex phenomenon as society, simply cannot fit its regulations to the peculiarities of various concatenations of circumstances. But measures which ignore such peculiarities will tend to produce uniformity, and contract the "manifoldness of situations" which is the spur to all progress.

But what is the indispensible minimum of government activity? Humboldt finds that the one good which society cannot

provide for itself is security against those who aggress against the person and property of others. His answer to the question which he posed at the beginning of his work—"What limits ought to be set to the activity of the state?"—is "that the provision of security, against both external enemies and internal dissentions, must constitute the purpose of the state, and occupy the circle of its activity."

As for the services which it is commonly held must fall within the scope of government action—as, for instance, charity—Humboldt believes that they need not be provided by *political* institutions, but can safely be entrusted to *social* ones. "It is only requisite that freedom of association be given to individual parts of the nation or to the nation itself," in order for charitable ends to be satisfactorily fulfilled. In this, as, indeed, throughout his whole book, Humboldt shows himself to be a thoughtful but passionate believer in the efficacy of truly social forces, in the possibility of great social ends being achieved without any necessity for direction on the part of the state. Humboldt thus allies himself with the thinkers who rejected the state in order to affirm society.

Parts of Humboldt's book appeared in two German periodicals in 1792, but difficulties with the Prussian censorship and a certain apparently innate lack of confidence in his own works caused him to put off publication of the book until it could be revised. The day for revision never came, however, and it was only 16 years after the author's death that *The Limits of State Action* was published in its entirety.

For ten years after the completion of this book, Humboldt devoted himself to traveling and private studies, principally in aesthetics, the classics, linguistics, and comparative anthropology. From 1802 to 1808 he served as Prussian minister to Rome, a post which involved a minimum of official business and which he accepted chiefly out of his love for that city. Humboldt's real "return to the state" occurs in 1809, when he became director of the Section for Public Worship and Education, in the Ministry of Interior. In this capacity, he directed the reorganization of the Prussian public education system, and, in particular, founded the University of Berlin.

That so unquestionably sincere a man as Humboldt could have acted in such disharmony with the principles set forth in his only book on political philosophy (including the concept that the state should have no connection with education), requires some explanation. The reason is to be sought in his patriotism, which had been aroused by the utter defeat suffered by Prussia at the hands of Napoleon. Humboldt wished to contribute to the regeneration of his country which was being undertaken by men such as Stein and Hardenberg, and the reform of the educational system fitted his abilities and inclinations.

To put limits on the state, Humboldt says "that the provision of security, against external enemies and internal dissentions, must constitute the purpose of the state, and occupy the circle of its activity."

This task completed, Humboldt served in various diplomatic posts for a number of years, including that of Prussian minister to the Congress of Vienna, and, after peace had been established, as a member of the Council of State. But the spirit which now predominated in Berlin, as well as throughout Europe, was the spirit of Metternich—who, always able to identify accurately the enemies of his system, had already (in 1814) termed Humboldt a "Jacobin." Humboldt's opposition to the reactionary policies of his government gained him as much ill-will at court as it did popularity among the people. He was hated and intrigued against by the reactionaries at court; they went so far as to open his mail, as if he had in actuality been a Jacobin. When, in 1819, Metternich induced Prussia to agree to the Karlsbad Decrees, whch attempted to establish a rigid censorship for all of Germany, Humboldt termed the regulations "shameful, unnational and provoking to a great people," and demanded the impeachment of Bernstorff, the Prussian minister who had signed them.

It was clear that a man like Humboldt was an anomaly in a government which treacherously refused to fulfill its wartime promises of a constitution, and whose domestic policies were largely dictated by Metternich. In December 1819, Humboldt was dismissed. He refused the pension offered him by the king.

The rest of his life he devoted to his studies, of which the researches into linguistics were the most important, and gained for him the reputation of a pioneer in the field. He died in 1835.

If we ask what are the primary contributions of Humboldt to libertarian thought, we will find the answer in his ideas on the value of the free, self-sustaining activity of the individual, and of the importance of the unhindered collaboration—often unconscious—of the members of society. These are ideas which are finding increasing application in fields such as psychology, linguistics, economics, and social theory. (Occasionally, as with F.A. Hayek and Noam Chomsky, contemporary thinkers in these areas even make the connection to Humboldt explicit.) That ideas which were set forth by Humboldt should be proving so relevant to contemporary research into man and society is a sign of the clearly discernible trend towards individualism in present-day thought at the highest levels. ●

Ralph Raico is Senior Editor of Inquiry *magazine. His essay on Wilhelm von Humboldt originally appeared in the Spring 1961 issue of* New Individualist Review, *of which he was editor-in-chief.*

The Plumb Line

The Efron affair

by Murray N. Rothbard

Libertarians from all over the country have been asking me what my response is to Edith Efron's attack—on the libertarian movement in general and on me personally—in her "Viewpoint" column in the February *Reason*. To give you an idea, consider how *you* would feel if you were well known in your community and someone, in order to discredit you and your activities, claimed in print that you had made certain damaging admissions to her—admissions you had never made, but which were so dramatic they were bound to be repeated from one end of the movement to the other. And all this looked to be done out of malice, to destroy what you had spent your life building up. Well, that's about the way *I* feel.

Everything that Efron wrote about my alleged disclosures to her is untrue: They are either lies or self-deceptions emerging from her own paranoid fantasies. To be specific: I never tried to "take over" any party of which Eldridge Cleaver was the head, or do anything like it (a pretty idiotic thing for me to have attempted). In working with leftists against the draft and the Vietnam War, I never had the absurd notion of converting them to capitalism, either sneakily (as Efron would have it) or otherwise. Above all, on her most dramatic point (which virtually forms the *leitmotif* of her article), no one has ever pulled a gun on me, in the ribs or in any other way. Nor, of course, did I ever tell *her* any of this rubbish. It is all preposterous nonsense, every word of it.

Efron needed the "gun-in-the-ribs" gambit as a major theme in order to prove to everyone's satisfaction that all leftists are thugs and hoodlums, and that a gun in the ribs is all you can expect from any dealings with them. (Apparently, *her* pals in the Pentagon are devoid of any lethal weaponry.) The fact that this unlikely canard fit in *so* well with the point she was trying to make in her column should have tipped off the reader to what was going on—an exercise in personal fantasy-spinning rather than political analysis.

The outrage I feel stems from the frustration of a victim who has been falsely accused in the public print. Efron makes a dramatic statement about me; I deny it; What is the average reader to think? Most of them will say, "Well—who knows? She may be right." Or, "Who am I to judge?"—especially if they are not personal friends of either of us. Personal friends of mine have no trouble figuring out which one to believe. As one of them said, I'm not the sort of person to hoard stories. It's inconceivable that I would have told a saga as dramatic as the "gun-in-the-ribs" story *only* to someone like Efron, who has merely been an acquaintance, or that among all my acquaintances I would have told it only to *her*. Surely my friends would have heard it many times over, and someone else would have heard it sometime, somewhere. The reason they haven't, of course, is that Efron created it out of the whole cloth.

As for the rest of Efron's article, it is about on a par with her statements about me: a farrago of ignorance and malice that is simply and literally *not to be believed*. David Ramsay Steele's article in last month's *LR* barely scratched the surface in listing Efron's "untruths."

Her charge that we libertarians are lax in saluting the greatness and importance of free-market economists Ludwig von Mises and F.A. Hayek (whom she idiotically and typically places "on the conservative side") is so ridiculous it's embarrassing. I'll just say that I think what *I've* done to promote Austrian economics and particularly the ideas of the great Mises compares rather favorably with what Efron has done over the years.

Efron's charge that libertarians such as myself ally ourselves only with the Left is ignorant hogwash. We believe in allying ourselves with *whomever* has a libertarian position on issues important to us. We hail a Nat Hentoff on civil liberties and a Henry Hazlitt on economics. This is not inconsistency; on the contrary, it means that we consistently welcome people for the libertarian positions they hold on particular issues, a welcome which in no sense means that we endorse their stand on every conceivable question. But to libertarians, this is nothing new. Most of us have known for a long time that our position cuts across the conventional left-right spectrum, that we agree with liberals on some issues and with conservatives on others. That is because *we* are consistent upholders of liberty, and *they* of course are not.

Her implication that we have joined the Left in "evad[ing] mass murder in Cambodia" is false on two important counts: first, because much of the information that we have, and that she can self-righteously refer to, on the monstrosity that is Cambodia comes to us from Leftists who staunchly opposed the war in Indochina: from James Forest, Jean Lacouture, Father Ponchaud, etc.; and second, because while I myself, as she well knows, wrote a blistering attack on the Cambodian regime in *Libertarian Review*. Where and when did Efron ever write on the subject before she penned her broadside attack?

Efron's appalling ignorance of the libertarian movement is revealed by her lament that the limited government people have struck some sort of "deal" with anarcho-capitalists never to engage in discussion or debate over their ultimate ideological differences. Efron has apparently not been reading not only *Libertarian Forum* or the *Journal of Libertarian Studies*, which has published numerous anarchist critiques of Robert Nozick, but not even *Reason* itself, where John Hospers and I have squared off. The debate continues. It is only the activists in the Libertarian Party who wisely concluded that they would get nowhere facing concrete political issues if they spent their energies on such theoretical questions. These disputes, while ultimately important, are hardly relevant at present to contesting the next election or dealing with current political situations.

Apparently, Efron had no desire whatever to remedy her ignorance of the libertarian movement before writing about it. Instead of doing research, she seems to have relied on her imagination for facts. Her slovenliness extends even to *Inquiry*, a publication which is not, strictly speaking, libertarian, but rather a general-interest, political affairs magazine. What can we say of an alleged reporter who presumes to denounce *Inquiry* without having read *any* of it—even though she was offered a gift of the issue that had already appeared when she wrote her diatribe?

I have before me the 12 issues of *Inquiry* that have come out so far. Does it exude "sleaze," as Efron would have it? Has the enemy put one over on its editor, Bill Evers? Hardly. There are attacks on the Panama Canal treaties (by yours truly); the American, Communist and Third World governments; corruption in the U.S. Congress; the Therapeutic State; foreign aid; the post office, and public education (the last by "Maoist" Karl Hess, among others). There is the moving diary of a Polish dissident, and defenses of competition in the professions and of the rights of *real* nations (i.e., populations with a common cultural

and linguistic heritage), such as Scotland and Catalonia (not of the *empires* that lord it over them). And there is Tom Szasz in every other issue, defending the rights of Americans against an American state which he, at least, considers to be tyrannical. More than anything else, there's something called *quality.*

For Efron—who has not had anything to do with the libertarian movement in ten years, and who, from the testimony of her own article, is scarcely a libertarian at all—to presume to read people out of that movement is unparalleled *chutzpah.* It's as if *I* should write an article attempting to dictate theology and ritual to the Greek Orthodox Church, telling it whom it should expel for heresy and whom it should revere.

Sometimes her article is relieved by some (unconscious) humor; thus, Efron expresses horror that a "distinguished laissez-faire economist," Roger LeRoy Miller, was asked to write a review of a book on the political economy of whorehouses. What she fails to realize is that Professor Miller has written on precisely such topics as prostitution, as has the eminent free-market economist George W. Hilton—who has even spoken at a convention of COYOTE, an organization of prostitutes defending their right to do business.

But this gaffe is of a piece with Efron's moral horror at the concern that libertarians show for the freedom of speech and voluntary activities of all people, even the most disreputable. From her sneering at such freedom, it is obvious that *her* devotion to civil liberties is minimal. Efron employs the usual conservative trick of linking civil libertarians with the lifestyles of those whose rights they are defending. If one defends the rights of prostitutes or drug takers, well, that makes one a prostitute or drug taker, too. Attacking people such as myself for being hippies and blind adherents of all aspects of every liberation movement can only reap a horselaugh from anyone in the least familiar with my own views and style of life over the years.

What, then, *is* Miss Efron? From the evidence of her article, she is certainly a "news twister" *par excellence.* But where have we seen this before, this amalgam of hysterical smears and red-baiting, joined to an ideology that scorns civil liberties and calls for love and "reverence" for the *state?* There are not many laissez-faire thinkers of the past who, though upholding limited government, have actually loved and revered it. On the contrary—for them, as for modern libertarians, love and reverence have been reserved for such values as liberty and human dignity, and even for one's land, culture, and country. But *not,* ye gods, for the state, which, even in the limited government lexicon, is *at best* simply a nightwatchman—a useful servant—and not something to be revered and worshiped.

Where have we seen these tantrums, this hopped-up and wild-swinging disregard of accuracy, this idea that checking a fact is beneath one's dignity, this confusion of the libertarian American Revolution with the American state apparatus, this childish idealization of the U.S. Constitution (with all the abuses inherent in that document), and this constant protest that she's speaking out of "love" and "reverence" while every line reeks of bitter hatred? We have seen them in the fever swamps of the far Right, most specifically of the Randian variety.

Is this "love," this "reverence," these old bones of the 1950s and 1960s, this dissociation from reality, really what the libertarian movement is supposed to crawl back to? Certainly not, and not at the behest of someone like Efron. We are no longer an isolated sect. We are now an adult movement, we are dealing with grown-up things, and moving around in the real world, where *facts* are important. We are making an impact on the mainstream of American life, and we have just begun. ●

The Revolt of the Taxpayer

LESLEE J. NEWMAN

Howard Jarvis

An interview with the elder statesman of today's tax rebellion—Howard Jarvis

by Jeff Riggenbach

A spectre is haunting state and county bureaucracy," the *New York Times'* William Safire wrote early this year, "the spectre of tax revolt." And there can be little doubt that he's right. A 1977 Field Institute poll indicated that 70 percent of Americans consider their state taxes too high and 72 percent consider their city and county taxes too high. In Massachusetts, a group called Citizens for Limited Taxation is placing a proposal on the ballot to limit state taxes to nine percent of personal income. A group called National Taxpayers United of Illinois has organized a property tax strike in that state, and is demanding a statewide referendum on tax rates. Taxpayers are organizing, demonstrating, protesting, and refusing to pay in Maine, Oregon, and half-a-dozen other states. Truly, as the *Christian Science Monitor* reported in February, "discontent with the property tax is heating up all across the United States."

The man who claims (and probably deserves) much of the credit for all this uproar is Howard Jarvis, the 75-year-old president of the Apartment House Association of Los Angeles, and cosponsor, with retired realtor Paul Gann, of Proposition 13 on the June ballot in California. Proposition 13 would amend the state constitution to impose a limit on the power of local and state government to tax property. If Proposition 13 is passed, property taxes in California will be limited to one percent of the assessed value of the property. (The current tax rate is closer to three percent.) In case politicians try increasing the assessed values, Proposition 13 also provides a limit of two percent a year on such increases. And in case they try to impose new taxes to replace the old revenue, Proposition 13 further provides that new state taxes may be raised only by an all-but-unprecedented two-thirds vote of the legislature, and that new local taxes may be raised only by an all-but-impossible two-thirds vote of the electorate.

Not surprisingly, Proposition 13 has politicians running scared. The official estimate is that passage of the measure would cost government around $7 billion a year. That loss, according to California State Assembly Speaker Leo McCarthy, would be "a disaster." San Francisco Mayor George Moscone agrees. "No matter how you slice it," he says, "our police, our libraries, our fire department and schools would be crippled." And Democratic State Chairman Bert Coffee told the *Los Angeles Times* in February that passage of Proposition 13 would mean "turning the state over to the current-day anarchists."

Somehow, though, that description doesn't quite seem to fit either Howard Jarvis or his partner in Proposition 13, Paul Gann. Gann is 65 years old. Since retiring from the real estate business a few years ago, he's been running a Northern California taxpayers' organization called People's Advocate, Inc. "In 1950," he says, "there was one state em-

ployee for every 160 citizens. Now there is one for every 93." He can also rattle off measurements of government growth in monetary terms: "In the last ten years," he says, "the population has increased 14 percent, prices have gone up 68 percent, the state's budget has gone up 161 percent, and the income tax collected has gone up 295percent."

Jarvis, too, seems an unlikely candidate for the term "anarchist." Howard Jarvis has devoted the last 15 years of his life to fighting taxes—as a leader of the campaign for the Liberty Amendment (which would have repealed the 16th Amendment to the U.S. Constitution and with it the federal income tax), and as a tireless worker for state and local tax reduction in California.

Jarvis was born in Utah in 1903, one of the six children of an impecunious judge. He took to the law briefly himself, then went into, successively, the newspaper business, the ship hull demagnetizing business, the electric iron business, the gas heater business, and the garbage disposal business. And all along he was active in politics as well, mostly Republican Party politics. He headed a commission appointed by the governor to reform the tax laws of the State of Utah. He handled press relations for Herbert Hoover in the 1932 presidential campaign. He took Earl Warren's advice and came west to California, where he worked for Eisenhower in '52 and '56 and for Nixon in '60. In 1962, he ran for the GOP nomination for the U.S. Senate, came in third, and quit the party.

But Jarvis wasn't through with politics. He began campaigning against L.A. area bond issues and circulating petitions to tack a permanent tax limitation amendment onto the state constitution. A few years later, up in Carmichael, California, Paul Gann hit on a similar idea, and the rest, as they say, is history. In 1976, when Americans were supposed to be celebrating the 200th anniversary of a tax rebellion-turned-revolution, Jarvis's United Organization of Taxpayers and Gann's People's Advocate, Inc. each came within a hairsbreadth—a paltry few thousand signatures—of collecting the half-million signatures necessary to qualify their rival propositions for the ballot. In 1977, they joined forces and qualified Proposition 13 for the June 6, 1978 ballot by collecting a phenomenal, record-setting 1.5 million signatures. (300,000 of them arrived too late at the Secretary of State's office to legally qualify—but what did that matter?) And there's every indication the proposition with the unlucky number is very, very popular with middle-income voters, some of whom have seen their property tax bills double and triple in the past few years—until, in more than a few cases, their tax payments are higher than their mortgage payments, and it is no longer possible to pay both.

When Jarvis and Gann debated Assembly Speaker Leo McCarthy in San Francisco in January, the encounter was televised, and viewers were invited to vote: Proposition 13, pro or con? The vote was ten to one in favor of Jarvis and Gann.

In early March, the *New York Times*'s Wallace Turner quoted an anonymous member of the California Legislature: "When I say I fear for the future of local government, the audiences break into smiles."

Jarvis himself does more than smile. He positively looks forward to the prospect of 25,000 or 50,000 "public employees" being laid off. "Everybody knows," he told the *San Francisco Chronicle*'s Jerry Carroll in February, "public employees are the best educated, best trained, hardest working, most effective people we have in California." His voice, as Carroll described it, dripped with sarcasm. "They'll be able to get jobs in a minute." Then, in case the sarcasm had been missed, to make sure the point got through, he laid it on the line: He hoped those public employees not only got laid off but also got denied unemployment compensation.

Obviously, millions of Californians agree, not only with Jarvis's ideas about taxation, but also with his hatred of bureaucrats. As the *San Francisco Examiner*'s Reg Murphy puts (perhaps overputs) it, "The Jarvis initiative to make a dramatic cut in property taxes is not a tax measure at all; it is a way for voters to vent their spleen against a government that pays more than private enterprise can, that bungles and bumbles its way through problems in ten year hitches, that creates unbelievable bottlenecks and that promises more jobs than it can deliver."

I went late in March to talk with Jarvis. After two weeks of busy signals, overloaded telephone circuits that terminated preliminary conversations in mid-phrase, and simple old-fashioned waiting, a day had arrived when the aged tax radical could spare an entire uninterrupted hour for a talk

Milton Friedman on Jarvis-Gann

". . . I strongly support Jarvis-Gann. It does cut taxes. It does raise obstacles to further increases in government spending. And it will not have the dire consequences its opponents threaten. The state government has a surplus of some $3 billion to offset the $7 billion revenue reduction. The remaining $4 billion is roughly 10 percent of the state and local spending now projected for the next fiscal year. Is there a taxpayer in California (even if he is a government employee) who can maintain with a straight face that there is not 10 percent fat that can be cut from government spending without reducing essential services?

"A letter to the editor of the *San Francisco Chronicle* by Norman I. Arnold stated eloquently the view of many citizens of California:

" '. . . We are saying that we know it [Proposition 13] will severely disrupt state and city governments. We are also saying that we want it to severely disrupt state and city governments. We are not anarchists, we are not radicals and we do not think we are irresponsible. We are simply fully sick and tired of having our pockets picked at every level of government. . . . We want an end to the countless layers of useless bureaucracies. We refuse to pay any longer for the parasites who are feathering their own nests directly out of our pockets.' "

—Milton Friedman
"A Progress Report"
Newsweek, April 10, 1978

which would get past the surface of the Proposition 13 tax rebellion. We sat down in Jarvis's comfortably cluttered Los Angeles office and began our conversation by talking about how angry taxpayers are, and why.

LR: You've told a number of interviewers that voters are "fed up with politicians" and with the high tax bills they've imposed. If voters are so fed up, why haven't they gone to the polls and replaced their legislators with politicians who won't gouge them?

Jarvis: There are several reasons for that. For several years now, the voters generally have felt that it didn't make any difference who they voted for. About a third of the voters have resigned from either the Republican or the Democratic Party and a lot of the rest of them say, "Why should I vote? It doesn't make any difference anyway."

The second thing that came about in the last couple or three years is a horrendous raise in property taxes. And then the other thing that I think is the reason for it is that there is a very severe, exploding, total disgust with politicians. The people don't believe a word they say. They don't care who it is. And I think what happened was that all these things sort of came together.

I got a call from I think it was the Associated Press, and the fellow asked me about the same question, and he said, "You must be a genius at timing." My answer to him was that I know nothing about timing. Timing didn't have anything to do with this amendment. What had to do with this amendment was the fact that we started on it 15 years ago. And I suppose I've done 5,000 interviews, 5,000 television interviews and radio, and 5,000 speeches and we've put out millions of pieces of stuff and I think, finally, the message started to get through. It takes a long time.

And as far as timing is concerned, it's like: If I go fishing in the lake and I put some bait on the hook and I sit there for three weeks I'll get a bite, but if I keep the hook out of the water I won't get a bite. And I think we just happened to have the hook in the water when all of these things came together. That's what I think happened in this country.

LR: Politicians too are commenting on this issue. They're saying, "Yes, there's evidence that people are unhappy about their tax bills; yes, there's evidence that they're unhappy with politicians in general; but we don't see any drop in the continuing demand for government services."

Jarvis: I think that whole issue of government services is a fake. The people who are demanding government services are the special interests that are already living off government. This is where the demand comes from. I would imagine that in 20 years you wouldn't get 500 demands for more service from the average homeowners in this city. Ninety-five percent of them never call a policeman or have a fire or anything of that nature. The people that are asking for lower taxes are not the people that are asking for more services. It is the special interest groups that are organized for the express purpose of getting more service from the government for nothing: the social workers, the welfare workers, the food stamp people, the employees' unions, the whole passel of people that are feeding off the public trough. And then there's the tax-eating politician, who has become very voracious in this country and is rapidly destroying freedom. They're rapidly trying to produce a government, of government, by government, and for government, instead of government of, by, and for people.

"The whole issue of government services is a fake. The people who are demanding government services are the special interests who are already living off government."

And people realize that we have a great system of government, but the people we have been electing for the last 40 years are destroying it rapidly. And I think that all of these things came together to produce what is really a miracle, because never in history has anybody got 1,500,000 signatures in California. And never in history has anybody got signatures from every county in the state. With other tax reduction proposals that I've been familiar with, it cost in the neighborhood of $800,000 to qualify them for the ballot. We qualified this one for about $28,500.

And now it's going all over the United States. Tennessee has got it and passed it. Washington's got it and passed it. In Oregon, it's going before the voters. They're going to introduce it in Iowa, in Maine, in New Hampshire, in Massachusetts, in Pennsylvania. And the other night I got an hour-long call from the BBC. And the last thing the fellow said to me before he hung up was: "If I have any message to give to America, it's for God's sake clear this tax thing up now, and don't do what we're doing in England."

So this is very widespread. It's far bigger than we ever dreamed. There's no way I could have ever believed it would go where it's gone. It's covered now by national television. Everytime I go out the door, or out the back door, I'm getting more publicity than the Mansons got. I get calls from every state in the nation. This damn thing is sweeping the country. The tremendous disappointment and disgust with Carter and with the Republicans. The disgust with the educational system, with the racketeering of the "prevailing wage" deal, with the phony behind-the-door deals, with the

fact that everybody in the country works January, February, March, April, and May to the fifteenth just to pay his taxes. All of these things are coming together.

LR: When you say "it" is sweeping the country, and "it" is being adopted in Tennessee and New Hampshire, do you mean tax limitations like Proposition 13?
Jarvis: They're pretty much like it. They're not all exactly the same. They can't be, really, because there are different situations. In the State of Oregon, they have no sales tax, so theirs limits property taxes to one-and-a-half percent.

The purpose of the property tax is to pay for the services that are given property by government. And across this state, on the average, those services cost about $300 a year. And it's the same whether it's a $30,000 house or a $70,000 house: about $300 a year. And under our amendment, property owners will pay more than that. As it is now, elderly people with fixed incomes and Social Security are being forced out of their houses in droves. The middle class is being squeezed to beat hell. I'm 75 years old and middle class, and that's where my sympathies lie. However, I'm realistic enough to know that what's probably more important in the long run is that we've got a situation in which young people couldn't build a house no matter what they did. And these are the people who are going to be running this country tomorrow. We're not going to be here. And this to me is a key issue. I think, as one guy, I have the opportunity to do more good for more people in California than anybody else has ever done.

LR: Some say that what you're doing is leading a tax revolt. Do you like that term?
Jarvis: Well, no, I don't like that term. I think I would rather call it a . . . sad rebellion. A guy wrote me a letter . . . I wish to the devil I had it with me . . . he said he was old and had worked all his life and had always paid his taxes and contributed, and he said, "I thought I was being a great citizen and was fulfilling the American dream, and now I find that I wasn't. I find now that my family is gone and my wife and I are alone that now we are going to be forced to give up our home. And I find that government doesn't solve any problems. It *is* the problem." His name was Wicks. Now I've never met the fellow. I don't know who he is. We get thousands of letters. But that was an outstanding one.

I spoke recently at a place called the Mogen David Temple. They had about 700 or 800 people. They were from 50 up, and, for about half of them, their taxes this year had been raised $1500 a year. And none of them can pay it.

I went up to Santa Cruz and talked to a very bright assemblyman there, and he says he gets sacks of letters from people who are going without food to pay their property tax. Now, even in Russia they don't do that to people. They don't kick people out of homes, even though the government does own the homes.

In California, 70 percent of all the land and buildings belong to government. That leaves only 30 percent on which property taxes are supposed to be paid. A great percentage of those property owners don't pay. They're exempted for some political reason or another. And that leaves the whole tax load on a very small group of people. And the producers are contracting and the tax eaters are expanding. Ten years ago Los Angeles County had 42,000 employees. The population has gone up two percent. They now have 98,000 employees.

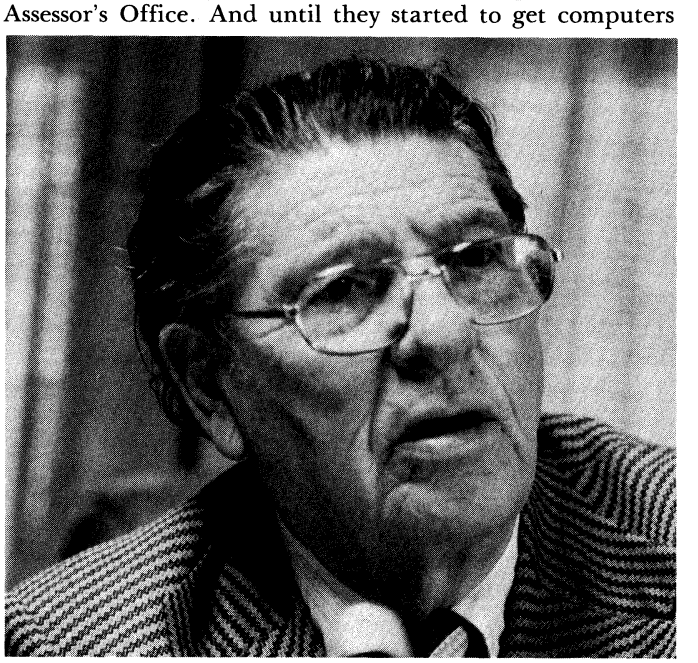
Tax revolt coming

"There already is a lessening of the sense of responsibility for the payment of taxes. Americans are patriots and want their country to do well, but they're beginning to ask, 'Am I being taken for a sucker?' I have always pooh-poohed talk of tax revolts, but I don't feel that confident any more."

—Mortimer Caplin
former IRS chief

LR: Do you still oppose the federal income tax?
Jarvis: I never opposed the federal income tax, except that I worked on the Liberty Amendment, on the Board of Directors for a long time. Unfortunately, I wasn't very active. I *am* convinced if we could get the government out of ownership of property, if they could sell it all, I do believe that we could get along without the federal income tax.

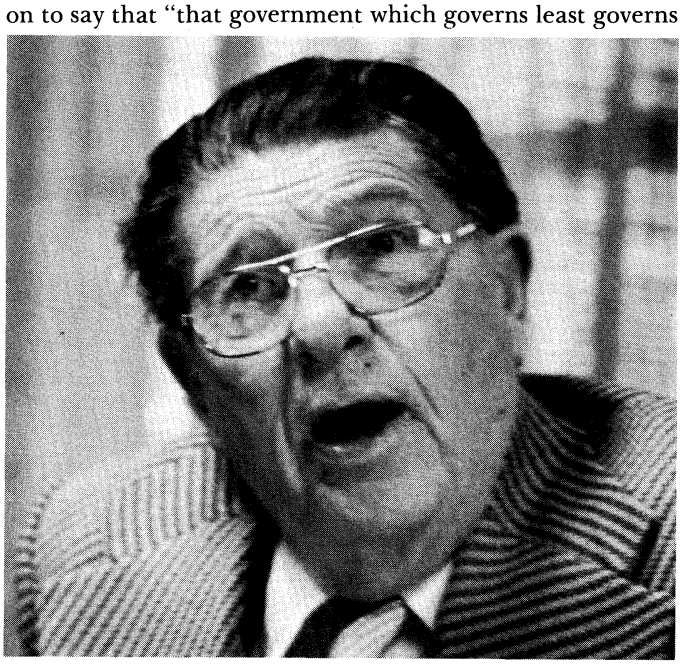
LR: You said earlier that 95 percent or better of all residential property owners never have any need of property-related services like policemen and firemen. Could we get along without the property tax?
Jarvis: As a matter of fact, I think that one of these days we will do away with the property tax. There are several reasons. In the first place, it can't possibly be administered. There is no way. In Los Angeles County, we've got two million pieces of property. We've got 1,800 employees in the Assessor's Office. And until they started to get computers



"One assemblyman told me he gets sacks of letters from people who are going without food to pay their property taxes. Now, even in Russia they don't do that to people."

which turned out to be even worse, they could only assess one-fifth of the county every year. And because they can't assess it, they've created a fake formula called the Comparable Sales Ratio formula. It means if you have a house down the street from me and I have one up the street from you and your house is worth $50,000 and you sell it for $80,000, they raise my taxes to $80,000. The whole thing is a scam. It really is. Everybody that thinks about it or gets involved in it knows that it's a scam. Now, in a business, you don't pay any property taxes at all. You get all your taxes from the customer. The customer pays all the taxes of business, whether it's General Motors or Joe's Shoe Store. They don't pay any taxes. We have to restructure the tax system in California, first of all to make it fair so that it applies to all assets to be taxed. Second, we have to make it equal, so that if you have twice as much as me and I have half as much as you, you pay twice as much and I pay half as much. You can go all over this state today and find two houses just alike across the street from one another and the one has to pay $1200 more than the other guy. Third—and this is basic to any free country, including this one—no matter what tax is assessed, it's got to be within the ability of the taxpayers to pay. And that is not the case in California. Thousands of people can't pay their taxes. We've gone away from the principal reasons why this country was founded. And we've gone away from the other principal reason, which can be described in four rather simple words: "Government must be limited." Today, we have unlimited government, unlimited taxation. It will lead, just like this chap from England said, either to bankruptcy or to a dictatorship.

LR: You've told more than one recent interviewer that "that government is best which governs least." When Henry David Thoreau wrote that sentence in *Civil Disobedience,* he went on to say that "that government which governs least governs not at all." What do you think of the proposition that we need no taxes, and no government?



"We've gone away from the principal reasons why this country was founded. We have unlimited government, unlimited taxation. It will lead to bankruptcy or dictatorship."

Jarvis: I don't buy that at all. You can't have a country with no government. My god—who is going to build a road?

LR: Can't somebody be hired to build a road?

Jarvis: Well, the person that hired him would have to be the government.

LR: Why? Couldn't it be the people who were going to use the road?

Jarvis: Well, I just can't see no government at all. Look—if we have the right kind of government then we have the right kind of law. We have the wrong kind of government now, and it's producing the wrong kind of law—and too much of it. In the State of California we have over 175,000 laws. In the last session of the legislature, they passed 1,004 new ones. And there's never a law that's been passed that doesn't take freedom away from somebody. And we've gotten into a disastrous situation in which I suppose 80 percent of the people elected to office are lawyers. The chief justice of the Supreme Court the other day said for the second time—I heard him say it a year ago in Chicago—that more than half of the attorneys in the United States are not competent to represent anybody.

LR: Let's get into some of the pros and cons of Proposition 13 specifically: First, what's your reaction to the common charge that if Proposition 13 is passed it will necessitate a massive cutback in police, fire, garbage pickup service, public schools, those kinds of things?

Jarvis: My answer to that comment is that the most intelligent, nationally recognized tax and economic authority in the country is Neil Jacoby at UCLA. Dr. Jacoby teaches economics and business management. Harry Truman sent him to Korea to help that government set itself up. Eisenhower later sent him to Europe to help. He's nationally recognized. He's studied this very thoroughly and he says this: "A one percent limit will furnish revenue far above the amount necessary to pay for property-related services." And he specifies police, fire, streets, lights, garbage, and sewers, as property-related services. I think he's the best authority in the United States on that. And I think that anybody who says anything else doesn't know what he's talking about. One other thing I think is interesting is that Sam Yorty was asked

The tax mess

"Uniformly, polls find majorities who think that their taxes are too high, too complicated and just plain unfair. Sixteen state legislatures are considering bills promising income-tax relief, and fifteen more states have moves afoot to cut or put limits on property taxes. . . . [I]t's plain that resentment and cynicism are growing—and that a system that rests on voluntary compliance is in some danger of losing its base. . . . Cracks are beginning to show in the consent of the governed."

—*Newsweek*
April 10, 1978

on television just recently if this one percent limit would eliminate any essential city services. And he said, "Absolutely not." Now he was the mayor of Los Angeles for 12 years. And none of these other people who are talking about it has been a tax expert or economist or a mayor. They're just blowing off steam into the air, as far as I'm concerned.

LR: Some of the people who are talking about it have been in other positions of responsibility, however. The board members and trustees of the Los Angeles Unified School District and the L.A. Community College District are all talking about massive cutbacks.

Jarvis: I would say that you couldn't find in ten years and a thousand miles of traveling any group of people who are less competent, more inefficient, and more uneducated than the majority of the board members of the Los Angeles Unified School District. I personally think they're the biggest bunch of boobs in history. The results of the Los Angeles Unified School District prove it every day. And these people are spending something like $3 billion a year. If they were put in charge of any business in the world, it would be bankrupt in 20 minutes. We don't have any education in the Los Angeles Unified School District. The L.A. County Grand Jury recently investigated, I think, six affluent schools and found that among high school graduates, 63 percent are functionally illiterate. That's what I think of the school board.

LR: What do you think of the L.A. Community College District?

Jarvis: I talked this morning to a professor at the community colleges. He tells me they buy all-new furniture, typewriters and everything, and then at the end of the year when it comes to budget time, they junk it all so that they can justify buying new equipment to justify the big budget they had. "Every year," he says, "they tell us to throw everything away and get new to justify an increased budget." And I know that's widespread.

But the thing that bothers me mostly is that a lot of people, adults, go to the community colleges for 20 years. And the colleges use those students to justify their budgets. I know women and men personally who have been going for ten or 15 years to the community colleges at night because they don't have anything else to do, and nothing ever comes out of it that's worth much.

You've got some very incompetent people in the community colleges. You've got people who don't produce anything, and whose main idea is to stay there long enough to get a pension and then to fly the coop. And the community college system is way overextended. They started out to be good. They started out to be cheaper than a two-year college course, right? In other words, they set these community colleges up to operate more cheaply than private colleges, and now they don't. They operate more expensively than private colleges. Now, I'm not an expert on the community college system; but I do know from long years of experience, how many hundreds of people go to the community colleges year after year after year and knit and sew and knit and sew, and it's a babysitter for them, and I don't think that taxpayers ought to be losing their homes to pay money for babysitting.

LR: What about the charge that Proposition 13 favors landlords and businessmen rather than individual homeowners?

Jarvis: Well, of course, this is probably the biggest lie that they are trying to tell. For a hundred years the constitution of the State of California has required that all residential property and all business and commercial property be appraised and taxed and assessed on the same basis. Now, for that they were collecting, say, three and one-half percent. This amendment of mine doesn't change that ratio at all. It only limits collections to one percent. So the politicians who are saying such things are actually saying that for a hundred years they've been sitting there in Sacramento giving a big break to business, and they didn't know about it. Of course it's a monumental lie.

And no business pays any taxes anyway. When you raise the taxes on a business, the businessman raises the price on what he sells. But this is a good ploy for politicians. They do something to raise the cost of doing business at the May Company, and when the shopper goes in to buy a pair of shoes and it's fifty cents higher, the politician says, "The May Company did it; I didn't." He's generally a monumental liar. But this is an old scheme in politics. It's a very clever scheme in politics. A couple of good illustrations that are easy to understand: If you go buy a gallon of gas for 70 cents, and the federal tax is 11 cents and the state tax is eight cents, what do you suppose the oil company does with that 11 and eight cents? In two weeks they send it to Uncle Sam. I bought a new Thunderbird for $8,000. And because I'm interested in taxes I wrote to the Vehicle Foundation in New York, and asked them how much tax is levied on that car from the time they dig the ore out of the ground until I

Jarvis-Gann: An endorsement

"There has been a lot of misguided debate in the libertarian movement about abolitionism versus gradualism. The Jarvis-Gann initiative is my kind of 'gradualism,' a gradualism that is exciting and radical and really makes a visible dent in rolling back state power. And here is the crucial point; for why should anyone work up excitement, and devote energy, to an amendment that would merely limit the future rate of *increase* of taxation? The glory of Jarvis-Gann is that here is a measure that means something, that forces a two-third reduction in property taxes and then seals the hatch by requiring a two-thirds vote of the legislature for imposing any new taxes to make up the loss.

"It is also highly instructive to see the forces lined up on both sides of Jarvis-Gann. For it: a real grass-roots movement, made up of masses of angry taxpayers with virtually no political or economic clout. Against it: a raft of government employees and vested interests, such as investors in government bonds, who are living off the taxpayer. The lines are truly drawn."

—Murray N. Rothbard

"Governments take this fabulous amount of money and blow most of it. And they blow it because they're incompetent, selfish, greedy people with two bits worth of political power."

pay the $8,000. And the answer is four thousand, five-hundred bucks.

Governments in the State of California now take in $40 billion a year. That's $1,650 for every man, woman and child of the 22 million people that live here. Taking Ed Roybal's [U.S. Congressman, California] figure that we're going to cut $7 billion of that, which is wrong—but I'm not going to contend that it's wrong because it doesn't do me any good, it's actually about $5 billion—but taking his figure, you take seven billion from 40 billion, and where I went to school you've got 33 billion left. And that's 33 thousand million dollars. And then every man, woman, and child in California will only be paying $1,500 a year. This amount of money will float this state in $50 bills. What is the matter is that they take this fabulous amount of money and they blow most of it. And they blow it because they're incompetent, selfish, greedy people with two bits worth of political power.

LR: Though some say businessmen will reap the biggest profits from Proposition 13, a number of large businesses have come out against you. Bank of America, for example, which is the third largest taxpayer in San Francisco County and stands to gain 61 percent reduction of its property taxes, has come out against you.

Jarvis: You know, Leo McCarthy (speaker of the California Assembly) and Miller of the School Board (Howard Miller of The L.A. Unified School District's Board of Education) have been peddling that story around that our amendment is a big boon to business, a big windfall. And then all of a sudden, all of the businesses that are going to be helped so much come out against us. Now somebody is a liar. The fact is Leo McCarthy called them all together and told them if they didn't put up $3 million to come out against this amendment, the legislature would kick the hell out of them from now on. He put it together. He put the arm on them. And because business people generally are cowardly, it isn't hard to do—for that little two-bit speaker to do that.

LR: You've sometimes argued that the cost of government could be reduced by putting an end to federal-state fund matching. Can you elaborate on that?

Jarvis: The League of California Cities and the State Association of Boards of Supervisors have testified for years that 96 percent of all of their costs are federally or state mandated, and that's why local government is in trouble, they say. Just as an illustration, the federal government says, "if you put up a million, we'll put up a million," and then they do, and the federal government comes out the next year and leaves them two million dollars. Now the reason the locals go for this, they say, is, "Well, it's federal money, it doesn't cost anybody anything. If we don't do it here, they'll give the money someplace else." But the federal dollar comes from the California taxpayer. The California taxpayer gets less out of his dollar than the guy from South Dakota, I can tell you that. I got on the plane one time with Karl Mundt the senator from South Dakota, and I said, "Gee, Karl, I'm glad to see that they've passed federal aid to education, and South Dakota will now be pouring money into California." He said, "What the hell are you talking about?" I said, "California needs it worse than South Dakota." He said, "Are you nuts? We're going to get our dough from California, buster." He was right.

LR: Will Proposition 13 win?

Jarvis: At least five to one. We had a poll yesterday in Oceanside with a hell of a lot of people, I would guess about 1800. They voted "for 13" and "against 13" and we won by 82 percent. Now I don't think we've ever had a politician win with 82 percent. If I were running for governor and I had 82 percent in my pocket already, I'd just go fishing in Jackson Hole, because I'd win in a walk.

LR: Do you think you could win the governorship right now?

Jarvis: I could win any office in the State of California right now.

LR: Do you want one?

Jarvis: Hell no. Somebody called my wife, Estelle, the other day, and said, "We've got a group of people here, and we're all going to put 50 bucks up for Howard to run for governor." And Estelle said, "This conversation is ended." And, by God, it was ended. I wouldn't run if it had not been ended. I wouldn't have the governor's job if you gave it to me. If you get into politics you've got to be a liar. I'd be one honest guy in a den of thieves and they'd outnumber me, and I'd be in a hell of a mess right away.

LR: Thank you, Mr. Jarvis. ●

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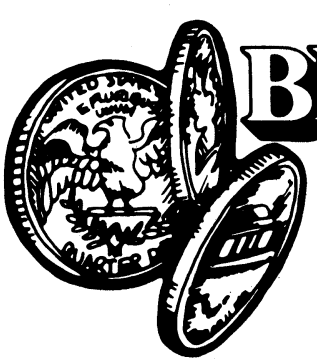

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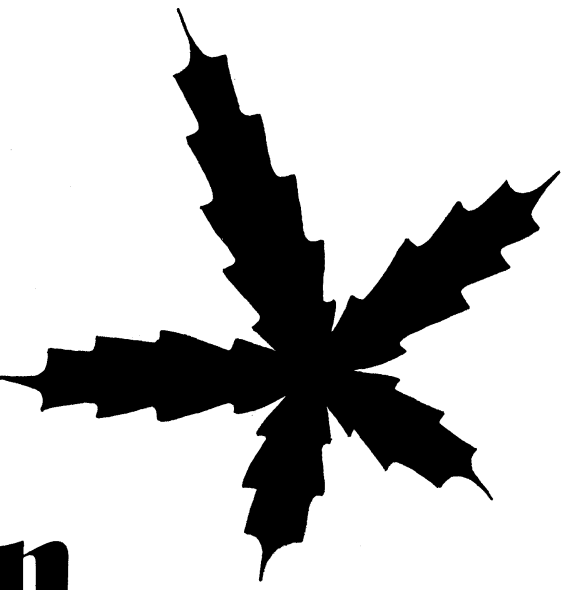


by Justin Raimondo

Dennis Peron had it made.

Not even he knows how much money his San Francisco Big Top "pot supermarket" took in—from an estimated 5000 customers—over the years. "I made more money in two months than my father made in a lifetime," confides Peron.

On the night of July 20, 1977, San Francisco "plainclothes" police blitzed the Big Top, located in a big Victorian house at 715 Castro Street. Dressed like hippies—although somewhat scruffier—they came busting through the door, guns blazing, minutes after the completion of a purchase by an undercover policewoman.

The half dozen "peronistas" employed by Peron to mind the store reacted—under the assumption that the invaders were yet another gang of ordinary criminals—without the slightest hesitation. Resistance was designed merely to unnerve the *real* criminal types who prey on black market businessmen at their leisure. Peron had never even considered arming himself, in spite of the fact that attacks by local hoodlums were becoming nightmarishly repetitive. It was this situation that prompted Peron to heave a heavy glass container from the top of a long flight of stairs, at what he thought was just your average thug-off-the-street.

It wasn't until *after* the thug shot him in the leg that Peron realized the truth—*this* thug was flashing the badge of the SFPD Narcotics Squad.

The officer involved later claimed he saw Peron reach for a gun. No such gun was ever found on the premises, although the police did manage to find and confiscate over $30,000 worth of Columbian pot, $8,000 in cash, and business records. The narcotics officers led a handcuffed and bloody Peron to the paddy wagon under the harsh glare of TV spotlights. (The media had been tipped off by someone calling from District Attorney Joe Frietas' office.) A crowd had gathered, in the early evening air, to cheer Peron and jeer the police.

Although it is unclear why the district attorney's office tipped off the media minutes before the raid (A new declaration of war against vice by the forces of morality and decency? Routine behavior for the ambitious Freitas, the photographer's best friend?), all of San Francisco got to see the SFPD come busting through the door, looking and acting like a gang of thugs.

"I thought she (the undercover agent) was just another secretary from downtown," says Peron, looking genuinely astonished. Sitting in an overstuffed chair in the middle of his living room, even today he still seems unable to believe fully in the reality of the big bust.

Peron's shock is shared by his Castro, Eureka, and Noe Valley neighbors. The house on Castro is smack in the middle of what is a predominantly gay enclave—a refugee camp of restored Victorians, swarming with untold numbers of Easterners who knew that somewhere there had to be a better way.

And more come each year. Five years ago you could have stood on the corner of 18th Street and Castro at 11 p.m. and not seen another soul. These days that corner features a cast of hundreds, and is the exact center of a booming business community in one of the only cities in the world where gays can live freely and openly.

Freely and openly is the perfect description of Peron's marketing technique, as well as his lifestyle. Before the big raid, customers appeared at his door promptly at 3 p.m. every day except Sunday. Business was conducted on the third floor of that big, old house, in a converted attic-of-iniquity.

Peron was the first pot dealer in San Francisco to approach the market in a systematic way. Great emphasis was put on the decor of the room, where pot was on display in bowls. Hand-painted signs identified different varieties and prices. Peron had variety—everything from some Mexican, through all grades of Columbian, on up to Thai and Hawaiian—all laid out right there in what the local Hearst paper, the *San Francisco Examiner,* called a "marijuana supermarket".

The meteoric rise of the Big Top emboldened Peron—but after a brief fling with the restaurant business and a country resort (named, respectively, "Island" and "Islandia"), Peron quit, disillusioned by a knee-jerk hostility against the very concept of individual success that some employees and ex-employees did not bother to disguise.

The pot business was Peron's first love, and it was to his first love that he returned, with renewed ardor. He estimates he had over five thousand customers—clearly the biggest black market pot outlet in the city.

Half an hour before opening up shop Peron would get ready for the avalanche. When the pot was in the bowls, the labels in place, and the peronistas at their posts, the doors were opened. In less than ten minutes the room would be filled to overflowing. The sheer boldness of the operation gave him the kind of rapid turnover his business required.

But Peron had been living in a dream world for years. San Francisco is a pleasant place to live, and he didn't really believe the dream would ever end. But the dream did end, with the brutal police blitzkrieg and with the fact that the San Francisco Police Department gunned him down in his own home. Peron is now fighting back.

Libertarian Party activists have rallied to Peron's defense. Eric Garris—chief architect of the Dennis Peron Defense Committee—got involved because it's the sort of issue where libertarian principles can result in *activism.* "We can win in San Francisco," proclaims Garris. If so, the City by the Bay is well on its way to becoming the first liberated city in the country—in fact, as well as in spirit.

Free market pot

Peron and his lawyers hope to make his case a landmark in the history of the fight for free-market pot. He is asking for a jury trial and hopes to utilize the time-honored defense of jury nullification. This process allows the jury to decide the validity of the law, not just the guilt or innocence of the defendant. Peron is asking why California law allows one to possess an ounce of marijuana without going to jail, but does not allow one to *obtain* this "miracle ounce." You can't grow it—Peron can't sell it—where does it come from? "It must be a miracle!" says Dennis Peron.

Thus, the *right to sell* marijuana is being proclaimed for the first time by advocates of decriminalization. Certain types of businessmen have never liked government regulation of their activities—and Peron is one of them. He is proud of the fact that he is able to earn his living, and earn it well—as proud as any son of working-class parents, who made it and made it big.

Not only does he intend to fight it out in court, he intends to fight it out at the polls as well. San Francisco election law provides for placing a "statement of policy"—a statement which, if endorsed by the voters, would not have the force of law—on the ballot. Peron has already registered his statement of policy with the registrar of voters, a statement which explicitly denounces state suppression of the marijuana industry as a waste of the taxpayer's money, and which goes on to recommend a policy of nonenforcement of the marijuana laws. A campaign organization, led by Libertarian Party activists in cooperation with NORML (the National Organization for the Reform of Marijuana Laws) and the Dennis Peron Defense Committee, is already engaged in a petition drive in order to get the statement on the June ballot. Ten thousand valid signatures must be submitted by August. The Libertarian Party was the first organization to endorse Peron's battle to save his business.

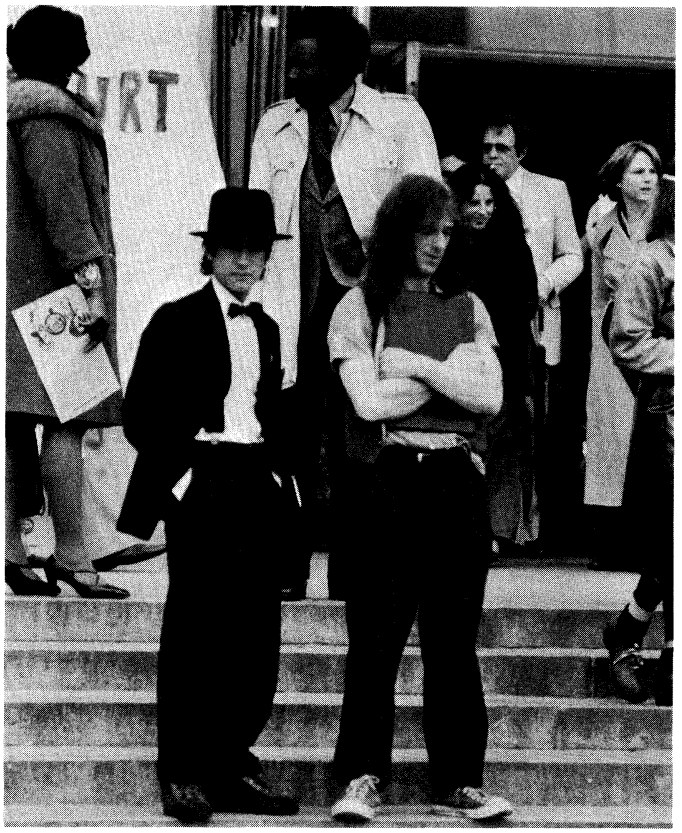
The SFLP activists are providing the organizational muscle behind a broad-based coalition united over a single issue. In a city like San Francisco, the chances of a libertarian victory are better than even.

Eric Garris' media efforts immediately catapulted Peron's plight into the spotlight of public attention. Television, radio, and print media coverage of Peron's campaign for free-market pot has been extensive. The Dennis Peron Defense Committee intends to dramatize the absurdity of the marijuana laws through Peron's intransigence in the courtroom; by a stroke of sheer luck, the trial is scheduled to approximately coincide with the June elections. A series of mass demonstrations are planned—the last demonstration attracted over 2000 participants—as are a series of publications, to be released as the June elections loom closer.

Peron maintains that he is a small businessman, entitled to all the basic rights such businessmen traditionally have demanded and gotten: the right to trade in a free, open market; the right to privacy; the right to conduct simple business transactions. Rather than being thrown in jail, Peron thinks he ought to be invited to join the Chamber of Commerce, as one of its more successful members.

District Attorney Joseph Freitas—elected because of his allegedly "permissive" views on victimless "crime"—is quite well aware of the political implications of the case, because Peron and Garris have made it a hot political issue. In a city where "live and let live" is a way of life, it seems almost a certainty that *one* juror out of 12 will uphold Peron's libertarian position. In a city that is rightly proud of its diversity, Peron finds it hard to believe that a jury of his peers will send him to jail. After all, it was his peers who made him rich.

His customers were happy—13-year-old girls were *not* lured up to his den of iniquity, never to be seen or heard from again. All sales were voluntary transactions, engaged in by consenting adults, to mutual profit. Peron's prices were fair, if sometimes slightly higher than the going market


JONNIE GILMAN

Peron (arms crossed) and supporters on the steps of San Francisco City Hall.

price. But his customers didn't care, if they noticed at all; it was convenient, and it wasn't furtive. They came from every walk of life—businesspersons, artists, workers, students, tourists—and they made the dream come true.

Dennis Peron is the archetypical man-of-action, a distinctively American concept. He's the working-class boy who, in love with the idea of unlimited upward mobility, took the ideals he had been taught to admire and put them into actual practice. It is ironic that what he did is what our elders spent the entire decade of the sixties telling us to do: "Aw, go out and get a job, you hippie!"

Well, Dennis Peron did better than that. *He created his own job.* His is an American success story.

Contradictory testimony

If the preliminary hearings—the longest in the history of San Francisco's legal system—were any indication, the trial of Dennis Peron promises nothing less than pure drama. The conflicting testimony of the narcotics agents, especially in regard to the events surrounding the shooting of Peron by Inspector Paul Maccaveccas, showed the narcotics squad in an exceedingly bad light. Maccaveccas himself, in a series of highly emotional outbursts on the stand, contradicted himself over and over again. For example, he stated that Peron met him at the top of the stairs with a gun in his belt, pirate-style. The very next day he contradicted himself, denying that he ever saw Dennis with a gun, claiming he was "confused".

But the picture sketched in by the preliminary hearings is anything but confused: It is clear, according to the testimony of at least two of the narcotics squad agents involved, that the police were determined to enter the premises that night *by any means necessary.* Peron's lawyers argued that the manner in which the representatives of the state made their entry was unreasonable—that, dressed as civilians (and disreputable civilians, at that) the feeble resistance of Peron and peronistas was not ample grounds for bounding up the stairs and *shooting* Peron. The hearings were conducted in an atmosphere charged with the electricity of emotion and corridor rhetoric. During breaks in the lengthy proceedings, Peron made a point of confronting the "narks." "Every time I feel the pain in my leg," said Peron, "I remember that we aren't living in a free country. And I get angry. I get angrier and angrier all the time. And I intend to do something about it. You guys aren't going to get away with this."

The hearings had the air of a circus, with an occasional sinister note. For example, there is the question of the mysterious "second bullet." Maccaveccas claims he only fired at Dennis in self-defense. But how does this explain the existence of another bullet, fired from the same gun, lodged in the wall?

After weeks of legal battling, in early March Judge Roy Wonder ruled against the defense motions to dismiss all charges and dismiss all evidence on the grounds of unreasonable entry, but saw fit to dismiss the assault charges against Peron.

The narcotics squad took advantage of this legal sanction of unlimited search and seizure with terrifying swiftness. Peron had always been intransigent about a single issue: He would never give up his business. It was business as usual, in spite of—or, perhaps, because of—the busts. On Friday, March 17th, the fist of the state smashed him again, invading his new place of business—this time netting 20 customers in the bargain. This time, there were even fewer amenities. Not only were those on the premises arrested, but so were people who were simply walking past the house. Beatings were accompanied by a stream of antigay epithets. The raid had an ugly air about it, an air of gloating.

Today, Dennis Peron is an enemy of the state. He learned the lesson of libertarianism the hard way. And now he is laying his freedom on the line, he's going all the way, taking his battle and his message to the people, as well as to the courts. He is an illustration of principled libertarianism in action.

Community-oriented political action—creating and working through ad hoc organizations—can be the key to libertarian success. Activist Eric Garris has succeeded in building an unusually diverse coalition over this single issue; the list of over 50 endorsements reads like a Who's Who of the policital spectrum, and it includes black civil rights leaders, the White Panther Party, Paul Krassner (publisher of *Hustler),* and Margot St. James (COYOTE), not to mention the director of the Drug and Alcohol Division of the Berkeley Public Health Service!

(continued on page 31)

The Revolution Comes to Italy

FROM "CLAUSTROFOBIA"

by Ralph Raico

The Revolution Was, said Garret Garrett, meaning that the irreversible state-socialist transformation of America had already occurred. The Revolution Will Be, some of my optimistic libertarian friends tell me, meaning that libertarianism is truly the idea whose time has come. One tends to be a little skeptical—on the political level, at least, things seem mostly to be going the other way. But perhaps those optimistic friends are on to something. There is, after all, the surprisingly favorable response that libertarianism encounters from people in all walks of life; there is the individual person one increasingly comes across, who gives every evidence that this idea has changed his or her life.

In mid-March I received in the mail a copy of a new magazine. It was entitled *Claustrofobia* and was well-made; I leafed through it. What immediately caught my eye were some very familiar faces: Murray Rothbard, Ed Crane at the 1977 Libertarian Party National Convention in San Francisco, Dave Bergland, John Hospers, Nathaniel Branden, Tibor Machan, Mary Louise Hanson (the Secretary of the National LP), others. Names leapt up at me from the text: Rothbard, Ayn Rand, Roy Childs, Thomas Szasz, Robert Heinlein. Then I noticed that the text was in Italian. *What is this?*

Claustrofobia is a monthly magazine published in Rome by Riccardo La Conca and some friends. The issue I had in my hands was of February 1978, Year 1, Number 1. A 32-page, professional-looking job, it contained an editorial, "The Fever of Liberty," which explained the name of the magazine. The name derives—it's obvious when you think about it—from the state of mind a libertarian must experience living in a society such as Italy, where intellectual life is dominated by priests, Communists, and a few timid liberals. There were other articles by La Conca, and translations of Sharon Presley's essay on feminism and of Libertarian Party position papers—by Murray Rothbard on inflation and Dave Nolan on "Pot, Helmets, and Vitamins." The latter, from what I could make out (I had edited the originals), were quite good—either La Conca or someone else

out there has a professional translator's knowledge of English. From *Reason* there was Rollins' "Lucifer's Lexicon" and Hylkema's comic strip, rendered into Italian. There were the classifieds ("Signorina libertaria attraente, simpatica . . ."), an ad for a punk-rock disco in Rome, and a house ad urging the reader to "Support free trade . . . Smuggle!" On the back cover was a notice for a libertarian radio station, broadcasting at 88 megahertz FM in Rome.

La Conca's lead article, "Who are the Libertarians?" proved to be intelligent and displayed a truly astonishing knowledge of libertarian ideas and of the American libertarian movement. Among the works cited are Karl Hess's article "The Death of Politics," Franz Oppenheimer's *The State,* Rand's *Atlas Shrugged,* Rothbard's *For a New Liberty* and *Power and Market,* Hospers' *Libertarianism,* Roy Childs' "An Open Letter to Ayn Rand," Albert Jay Nock's *Our Enemy the State.* La Conca points out that part of Rothbard's achievement is that, to the antistatist philosophy of 19th century thinkers like Spooner and Tucker, he has "united a scientific approach in economic questions . . . incorporating . . . the doctrines of the Austrian school of economics of Hayek and von Mises." La Conca goes on to discuss with some sophistication the differences between Szasz and Branden on psychology. A number of Szasz's works, it turns out, have been translated into Italian, including *The Manufacture of Madness* and *Ceremonial Chemistry;* La Conca's exposition of Szasz's principal ideas is necessarily brief, but reveals an easy familiarity. The author is familiar even with libertarian-oriented science fiction, mentioning, besides Heinlein, Eric Frank Russell and Poul Anderson. He even knows Ira Levin's novel, *This Perfect Day. Who is this?*

A photo accompanies another essay by La Conca, "Conceiving the Inconceivable," which I have translated here. It shows him to be young, intense, handsome. The essay itself is well-reasoned, with a particular bent toward philosophy. There is a really moving part, when La Conca tells of what the discovery of the American libertarian movement meant to him:

> In our country, a libertarian is a Martian, a one-hundred-percent foreigner. His break with his surroundings is so total that he lives always on the borders of psychic disintegration. I myself have experienced this lacerating experience, in conceiving the inconceivable. What removed me from this situation, in part, was the casual reading of an article on the Libertarian Party of the United States in an Italian magazine. The article was critical and ironical, but for me reading it constituted a great event. It was like the discovery of a piece of terra firma, of a kind of ideological homeland for a philosophically displaced person. After reading that article, I know that I was not alone. I knew I had companions in the faith, even if they were across the ocean. I knew that my madness—if that's what it was—was shared by others.

Yes, something out of a novel, but sometimes, at least, nature does imitate art. So, across the ocean—Hello, friend.

Conceiving the Inconceivable

In his article entitled "Why Be Libertarian?" Murray N. Rothbard asserts that to be libertarians, in our massively authoritarian world, implies inevitably a condition of radical dissent and alienation from the status quo.

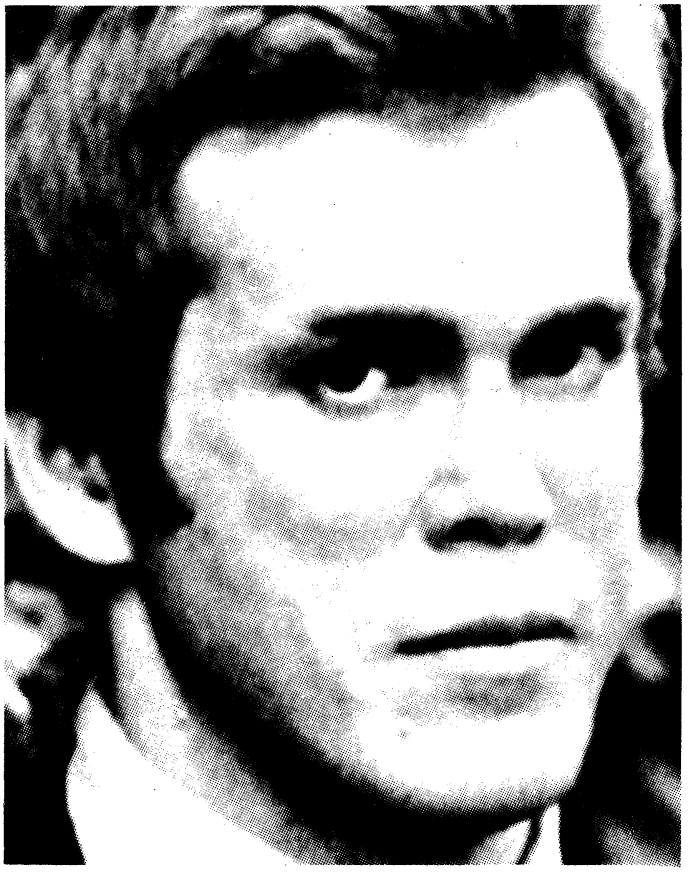
I believe that the principle factor making for conflict between libertarianism and today's world is the "logicidal" use of language which prevails in the world.

All the political forces currently existing in the world, despite the apparently abysmal differences among them, are in reality profoundly alike in at least one respect: their incoherence. All today speak in the name of liberty, but none is consistently libertarian. All the existing political forces are "heterosynthetic": that is, they are syntheses of heterogeneous elements, contradictory combinations of individualism and collectivism, of statism and antistatism.

Words like "left" (which connotes "antistatism in civil liberties" and "economic statism") and "right" (which connotes "statism in civil liberties" and "economic antistatism") are *logicidal* because they tend to connect what is logically incoherent and to disconnect what is logically coherent. Heterosynthetic and logicidal language is an extremely potent factor in inhibiting libertarianism. People tend, in fact, to see reality through the glasses of language. Libertarianism tends to become an inconceivable thing, which cannot be identified through a positioning in "heterospace"—in the space defined in the heterosynthetic lexicon of left-center-right. . . .

In the United States, however, the negative influence of language in regard to libertarianism is counterbalanced by the fact that libertarianism has some roots in that country. It is these roots which render it at least conceivable in America, despite the fact that language tends to make it inconceivable even there. In Italy, libertarianism has no roots. It has nothing behind it but scorched earth. But in our country there are many other factors that conspire, together with language, to make the formation of libertarian political consciousness impossible.

First and foremost, there is in Italy a profound and deeply rooted aversion to free enterprise, a dislike of risk, and a desire always to be protected by the state. This desire for protection is widely diffused among entrepreneurs themselves. The result is that just as yesterday Italian business facilitated the coming of Fascism, so today it supports "triangular corporativism"—the system in which the economy, instead of being directed by the market, is "programmed" by the three "corporations" of the rulers and the business-friends and union-friends of the government.



Riccardo La Conca

Moreover, there prevails in Italy a dogmatic, authoritarian mentality and culture. In our country, there has been hardly a trace of an empirical culture of the Anglo-Saxon type. This point seems to me extremely important for its political implications, because there is a profound interconnection, I believe, between philosophical and political individualism on the one hand, and philosophical and political collectivism on the other.

A Marxist epistemologist, Ludovico Geymonat, divides contemporary philosophy into two far-reaching tendencies. One, with an individualistic hallmark, derived from David Hume; the other, with a collectivist hallmark, derived from Hegel, and it is symptomatic of the Italian cultural atmosphere that in our country, Benedetto Croce, the very guardian deity of liberalism—that is, of a school of thought that elsewhere was intimately connected with a philosophy of the empirical type—was a follower of Hegel, the father of modern philosophical collectivism.

It was this idealist and reactionary framework that led Croce to devalue the importance of economic liberty and to uphold, in polemics with Luigi Einaudi, the theory of the divisibility between it and other liberties. Because of this theory, some disciples of Croce seceded from the Liberal Party and founded the Radical Party, which later, under the leadership of Pannelli, was to carry to its furthest logical consequences the division between economic and civil liberty, by resolutely embracing economic collectivism.

Thus, a tradition of individualistic libertarianism has absolutely not existed in Italy. Italian anarchism, for instance that of a Malatesta or a Merlino, has always been wholely collectivist in economic matters.

Libertarianism and Property

Since in reality only individuals exist, collectivism, too, must make use of individuals in every attempt at applying its principles. The abstract collective entities cannot transform themselves concretely except through individuals, into certain "privileged carriers" of the abstractions, which in this way descend from the heavens down to earth. There have to be certain individuals, in short, for any collective entity to be *incarnated,* whether it be Rousseau's general will, the romantics' *Volksgeist,* or the proletarian consciousness of the Marxist-Leninists. . . . The abolition of private property which the collectivists long for therefore can be only a formal and nominal abolition. Since, of necessity, it will be concrete individuals who dispose of the means of production and decide their use, individuals who will make up for the absence of the phantasmal "collective subject," collective property will in reality be a kind of "black private property"—the covert private property of those individuals.

When we speak of colectivist practice (for example, of "collectivist societies") we are using the term "collectivist" in a merely metaphorical sense, to designate societies which *derive from* attempts to apply collectivist principles. In reality, collectivism is a non-operational theory, one that is not susceptible of being translated into practice. . . . The real dividing line between libertarians and non-libertarians thus is not the contract between private property and public or collective property. . . . [It is between] the ownership of one's own product . . . and ownership of one's own product by others, . . . the contrast is between the "economic means" and the "political means" [of gaining wealth]. . . . The economic means are, as libertarians know, the production and exchange of goods and services, and they are based on the principle of mutuality and reciprocity. The political means are conquest, confiscation, robbery, plunder, etc., and they are based on the principle of unilateral aggrandizement.

On the pretext of substituting an impossible public property for private property, what the collectivists covertly reintroduce when they get into power is in fact a worse form of private property: ownership based on what Franz Oppenheimer called "the political means." And together with this they reintroduce the supremacy of the "warrior" over the "trader," that the National Socialists desired; the supremacy of the sword over money, theorized by the French fascist Maurice Bardeche; and, thanks to the unexpected help of the witch-doctors of the Marxist intelligentsia, the supremacy of Attila the predator over Atlas the producer. Those who assert that a society left to itself produces *plutocracy* in reality make themselves the advocates of the most barbaric form of society: *brutocracy.*

—Riccardo La Conca
(translated by Ralph Raico)

Thanks to the provincialism that pervades our culture, the great Anglo-American libertarian tradition is completely unknown in Italy. A book like Herbert Spencer's *Social Statics* has never been translated into Italian. Neither has any American individualist-anarchist work whatsoever been translated, with the exception of Thoreau's *On Civil Disobedience*. Finally, we cannot find selections from Spooner or Tucker in any of the numerous anthologies of anarchist thought published to this day in our country.*

It is my belief that, thanks to this conspiracy of factors, a libertarian in Italy necessarily experiences the state of alienation of which Rothbard speaks—but to a degree that cannot be even distantly imagined by an American libertarian. In Italy, libertarianism is something truly inconceivable. In our country, a libertarian is a Martian, a one-hundred percent foreigner. His break with his surroundings is so total that he lives always on the borders of psychic disintegration. I myself have experienced this lacerating experience, in conceiving the inconceivable. What removed me from this situation, in part, was the casual reading of an article on the Libertarian Party of the United States in an Italian magazine. The article was critical and ironical, but for me reading it constituted a great event. It was like the discovery of a piece of terra firma, of a kind of ideological homeland for a philosophically displaced person. After reading that article, I knew that I was not alone. I knew I had companions in the faith, even if they were across the ocean. I knew that my madness—if that's what it was—was shared by others. I knew that my idea of a combination of civil laissez-faire and economic laissez-faire was not something inconceivable, conceived by me by mistake, who knows how or why. I knew it was an idea that many others had thought of before me, an idea on which even a party has been founded.

That discovery was followed by a series of other delightful discoveries. I found that the Libertarian Party is not an historically isolated phenomenon but is, on the contrary, the landing place of a great cultural tradition. I found that there existed an anarchism that was not collectivist but economically liberal [that is, deriving from classical liberalism]. I began, finally, to read authors like Rothbard, Rand and Hospers.

To constitute for all the potential libertarians in Italy what American libertarianism has been for me—that is, a place of anchorage, where shipwreck can be avoided, and one can "conceive the inconceivable"; to put on record in Italy the existence of a fundamental current of thought which has been surrounded, until now, by a curtain of silence—these are the fundamental reasons why I have founded, together with a few friends with similar ideas, an Italian libertarian movement.

*However, the publication of an anthology, *Il labirinto anarico,* edited by Professor Domenico Settembrini, is imminent. This work will give ample space to the literature of American anarchism, including selections from contemporary libertarians like Rothbard. I have had the occasion to read Settembrini's introduction to his anthology, and what emerges from it is an extremely revolutionary approach, at least for our country, in regard to the themes of anarchism. His judgment, that American individualist anarchism is, at any rate, much purer and more coherent than that of the Bakuninist-Kropotkinist tradition, represents an absolute novelty in a country where, incredibly, "libertarianism" is conceived in connection with economic collectivism and even *only* in connection with economic collectivism. ●

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Marijuana

(continued from page 28)

An opportunity for libertarians

This is part of the spirit of the new activism among libertarians, the new effort to build a political power base by building coalitions on single issues and targeting particular constituencies.

It is important to understand here the uncompromising radicalism of Dennis Peron's position, as well as its relevance to libertarianism as a movement. Peron is not merely asking for the decriminalization of marijuana in small amounts, as is the case with so many "liberals" today, who skirt the whole drug issue. He is challenging the absurdity that permits legislative bodies to believe that "small amounts" exist in an economic vacuum. He is demanding the decriminalization of the entire marijuana *industry*—not conversion to a state monopoly, or even a partially controlled distributive system, but a fully free market in drugs. Thus, in one stroke, he enrages liberals and social democrats (who usually oppose victimless crime laws, but who are, in the final analysis, utterly opposed to a free market—not to mention hated *profits)* and he alienates conservatives as well, who pay lip service to private property, competition, and the free market—but not when it comes to drugs. Thus the millions of Americans who have created an enormous black market in pot have been abandoned by both sides of the political spectrum.

Millions of Americans have been arrested on charges connected with marijuana—hundreds of thousands a year for the past several years. The fight against the New Prohibition is a golden opportunity for the libertarian movement. Millions of Americans smoke pot regularly, in defiance of the law. Organizations like NORML are useful, but limited by a strict and often timid gradualism. Libertarians must make their presence felt in mass organizations like NORML by consistently calling for the creation of a genuinely free market in *all* drugs.

As the mass movement for decriminalization swells and grows, it will be the most *consistent* advocates of decriminalization who will reap the political benefits. Instead of calling for reforms and spineless half-measures, the decriminalization movement of the future will be libertarian in rhetoric and in spirit—if libertarians get in on the ground floor. Here is yet another opportunity to lay low the forces of puritanical statism. ●

Justin Raimondo is a libertarian activist and writer living in San Francisco.

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Books and the Arts

Reversing the ratchet of government

by Roy A. Childs, Jr.

A Time for Truth, by William E. Simon. McGraw-Hill, 248 pp., $12.50.

In a recent column in *The New York Times* entitled "Republican Proxy War" (April 10, 1978), William Safire reported on some of the battles being waged today within the GOP. The struggle for control of the Republican Party is being waged by combatants like Senator Clifford Case (R.-N.J.), Nelson Rockefeller and Henry Kissinger on the one side, and younger, aggressive Rightists on the other, like former Reagan aide Jeff Bell (who is challenging Case in the New Jersey primary), and Congressman Jack Kemp (R.-N.Y.).

One of the differences between these younger conservatives and those in the older generations is that these younger conservatives are far more "ideological," and are willing to ignore cries of "party unity" in their attempts to seize control of the Republican Party and to smash the moldy liberalism which has dominated both parties since the New Deal. Another difference is their search for a new agenda or program with which to appeal to the American people over the heads of the dominant opinion-molders. Thus, as William Safire wrote, "the 'new right' is likely to be carrying around new books as different and as provocative as Irving Kristol's *Two Cheers for Capitalism,* Martin Anderson's *Welfare,* Robert Bork's *The Anti-Trust Paradox,* and William Simon's *A Time For Truth.*"

A few years ago Alan Otten of the *Wall Street Journal* reported a "dearth of creative new ideas coming from the entire liberal intellectual community," an absence which has become increasingly apparent over the past few years, as liberal programs have increasingly been perceived as failures. While there is hardly a new enlightenment taking place on the Right, it should still be said that those books are all symbols of at least a growing concern with new ideas, new approaches, new policies. There is in fact quite an upheaval taking place in the Right wing, both inside and outside the Republican Party, as we find a growing number of battles and skirmishes taking place between various "factions" and "camps": the Buckley Right, Richard Viguerie's "New Right," the Neoconservatives, *ad nausaum.* The lines are not clearly drawn, and no stable leadership has arisen. Nor has any systematic agenda been agreed on, or strategy. Having pretty much given up the idea of starting a new conservative party, the battle is focused largely on two elements of an overall approach: promotion, by any means possible, of ideological allies, and a grass-roots fight for control of the Republican Party.

William Simon has dived into the middle of all this with his book *A Time For Truth.* His associates know that Simon is a politically ambitious man, and would like a shot at the presidency. (After all, he served as secretary of the treasury under both Nixon and Ford.) This book is really an attempt to elevate himself to a position of leadership within the Republican Party. All the books which Safire mentioned in his column are being widely read and noted by the brighter elements in the ranks of both the conservative movement and the Republican Party; but of all the authors, only Simon is ambitious enough to attempt to parlay this tough-minded book into a position of political leadership.

Clearly he is tapping into a widespread disaffection with big government in this book, and just as clearly he is trying to portray himself as having the stuff to launch a crusade to roll back government power. But *portraying* is one thing; *being* is another. A few months back, Tom Bethell wrote in an issue of *Harper's* that "if the climate of opinion with respect to government continues to change, we may soon be on the lookout for someone who can solve the greatest puzzle of representative democracy: how to reverse the ratchet of government." Simon thinks he has the key: to launch a "powerful counterintellegentsia . . . to challenge our ruling 'new class' opinion makers—an intelligentsia dedicated consciously to the political value of individual liberty, above all, which understands its relationship to meritocracy, and which is consciously aware of the value of private property and the free market in generating innovative technology, jobs, and wealth. Such an intelligentsia exists, and an audience awaits its views."

William E. Simon

This counterrevolution is to be led by three broad groups.

The oldest, of course, is the educated pro-free enterprise conservative movement. The most brilliant and dedicated intellectuals of the right are classical liberals, adherents of limited government and a minimally regulated free market economy, and are totally aware of the unbreakable link between political and economic liberty. These people have built themselves a fortress in the heart of academe, particularly in the economics departments of the University of Chicago and UCLA. There are many hundreds of such scholars, European and American—Nobel Laureates Hayek and Friedman being the most visible in the mass media since their awards—and they are the authors of a constantly growing body of theoretical free market literature. They have kept the torch of economic liberty burning and are passing it on to younger generations.

The younger generations tend, in fact, to be more militant about the free market than their elders, a good many today being laissez-faire purists. The most publicly visible are the young libertarians. In 1975 one of their number, Robert Nozick, a philosophy professor at Harvard, won a National Book Award for an exposition of libertarian theory and a challenge to egalitarianism, which was discussed in the major opinion journals in the land. Nozick sent a ripple of laughter through the world of political theorists with his witty defense of freedom for 'capitalist acts between consenting adults' . . . .

A tiny fragment of the American body politic, the libertarians are so well-furnished with academic degrees and is intense in their dedication to freedom that their impact on the intellectual world transcends their numbers. Like all radical scholarly groups, they serve as a goad to their elders and attract the liberty-loving young. Utopian, idealistic, and immoderate—to them 'extremism in the defense of liberty is no vice'—they are the connecting link between America's free enterprise past and future and refute the canard that economic liberty is a value to rich old men alone.

Ignore for the moment the fact that Simon places libertarianism as some kind of minority subset of the conservative movement, which it most assuredly is *not*. The second group of his counterrevolutionary trilogy is the neoconservatives. These are disillusioned New Dealers who are beginning to question collectivist, egalitarian and regulatory dogmas. Simon does not endorse them totally, however:

The liberals and laborites in this 'neoconservative' group are still interventionists to a degree that I myself do not endorse, but they have grasped the importance of capitalism, are battling some of the despotic aspects of egalitarianism, and can be counted as allies on certain crucial fronts of the struggle for individual liberty.

The third element, then:

And the third broad movement in opposition to prevailing trends is to be found in the world of business itself, where the most intelligent and courageous leaders have faced the fact that they must fight for free enterprise before it is too late.

Simon is fairly tough in handling this group, too:

But there is one condition that must be met: they must practice [free enterprise]. They cannot be hypocritical leeches on the state, who mouth platitudes about the free enterprise system, then come hat in hand to Washington. This practice totally destroys their credibility as spokesmen for a principled cause.

Thus, Simon sees the possibility of organizing a counterrevolutionary movement out of these broad groups, which would have the financial and intellectual resources to challenge the shacklers and plunderers of the American economy. He sees himself as a leader of these forces, and *A Time For Truth* as a weapon.

There is no doubt but that the book is meant to be taken seriously: Simon enlisted the substantial aid of journalist Edith Efron in writing the book, and it is adorned with both a preface by Milton Friedman and a foreword by F. A. Hayek. "This is a brilliant and passionate book by a brilliant and passionate man," writes Prof. Friedman. "It is a profound analysis of the suicidal course on which our beloved country is proceeding—so clearly and so simply written, with such eloquence, such obvious sincerity, such a broad base in recorded fact and personal experience, that it is hard to see how any reasonable man who wishes his fellow citizens well can fail to be persuaded by it."

Friedrich Hayek recounts his own reaction to the manuscript: "I dipped into it one morning and at once got so fascinated that I could not stop until I had finished it. . . . If this is the lesson which a first-class young brain has learned from bitter experience, we may hope to find in him a leader of opinion such as the United States and the Western world much need."

With two such endorsements, both from Nobel laureautes in economics, Simon feels ready to take on the dominant intelligentsia in America today, that group which Irving Kristol dubbed "The New Class," and which is equated with what Robert Nisbet called "the New Despotism." Kristol is quoted at length on the new class:

This 'new class' is not easily defined but may be vaguely described. It consists of a goodly proportion of those college-educated people whose skills and vocations proliferate in a 'post-industrial society.' . . . We are talking about scientists, teachers and educational administrators, journalists and others in the communications industries, psychologists, social workers, those lawyers and doctors who make their careers in the expanding public sector, city planners, the staffs of the larger foundations, the upper levels of government bureaucracy, etc., etc. . . . Members of the 'new class' do not 'control' the media, they *are* the media—just as they *are* our educational system, our public health and welfare system and much else. . . .

There are many powerful passages in this book, but there are also deep flaws, passages of dizzying stupidity.

What does this 'new class' want, and why should it be so hostile to the business community? Well, one should understand that members of this class are 'idealistic,' in the 1960's sense of that term—i.e. they are not much interested in money but are keenly interested in power. Power for what? The power to shape our civilization—a power which, in a capitalist system, is supposed to reside in the free market. This 'new class' wants to see much of this power redistributed to government, where they will then have a major say in how it is exercised.

Simon takes off the gloves in dealing with these bastards: They combine a "morbid economic ignorance with a driving power lust," he charges, and combine "hostility to democracy with the illusion that [they] speak for the People." Moreover, "those intellectuals, in Europe, as in the United States, are still in the grip of Lippmann's 'heresy' of the 1930's—the belief that 'there are no limits to man's capacity to govern others and that therefore no limitation ought to be imposed on government.' They have lost the knowledge 'born of long ages of suffering under man's dominion over man . . . that the exercise of unlimited power by men with limited minds and self-regarding prejudices is soon oppressive, reactionary and corrupt.' They have lost this knowledge because today—although in their collectivist 'idealism' they cannot grasp this—*they* are the reactionary, corrupt oppressors."

They do understand one thing perfectly, however: that the greatest threat to their power is a free market economy which sets stringent limits on the state. A significant move to free the market would decimate the 'New Despotism,' and the ruling group would try to destroy any politician who proposed such a course. The powerful political intelligentsia that determines the trends in social democratic nations today is as stubborn and ruthless a ruling elite as any in history and worse than many because it is possessed of delusions of grandeur.

There are many such powerful passages as this one in this book, and one is tempted to go on quoting forever. There are even brilliant strokes throwing the concept of "humanitarianism" back in the faces of statist intellectuals, bold proclamations that is truly *liberty* which is progressive, and state regimentation reactionary. Its polemics, slogans, and propagandistic devices often reach grand-scale crescendos. But there are also deep flaws in the book, almost structural flaws in Simon's—and Efron's—thinking. There are passages of dizzying stupidity and ignorance, for example, which detract from the overall virtues of the book in ways which are tragically unnecessary. There is the statement that "the Democratic Party is the primary vehicle of economic authoritarianism" and a belief that the Republican Party *really*, down deep, is "the Liberty Party." What nonsense this is! Which party was the party of high protective tariffs, the party which launched the Civil War, the party of massive grants of subsidies and special privileges to business, the party which hurled the first major regulatory agencies at us—those alphabet agencies which today are choking the American people? Which party was the party of jingoism and imperialism, the party that brought us the Spanish-American War and its legacy, the party that saw itself supporting the Federal Reserve System with its continual monetary exploitation of the American people, the party of the *income tax*, of prohibition, of the earliest drug laws? And which the party of immigration restriction, the party of agricultural parities, the party of railroad subsidies, the party that *launched public education*, the party responsible for the Great Depression through its continual credit expansion during the 1920s? The Re-

publican Party has brought us wars and depressions, subsidies and tariffs, censorship and the income tax, public education and the drug laws. *This* is the party of *liberty? This* is "A Time For Truth"?

But indeed, that line unfortunately is just the beginning; an all-consuming historical ignorance permeates this book, beginning the the unshakable right-wing view that all evil began with FDR and the New Deal. That fiction I consider, after the historical work which has been done during the last 20 years, pathetic jibberish of the worst sort. Moreover, Simon, while recognizing that business had perhaps *some* role in launching state regimentation of the American economy—in itself a rather ludicrous understatement—paints a picture, in the main, of the "businessman-as-victim." Now this is a collectivist, holistic half-truth. Simon claims that this view of businessman as user of the state for his own benefit is a contemporary liberal dogma. But has he really never *read* Milton Friedman on this, let alone Murray Rothbard or any of several dozen other thinkers? *Some* businessmen are clearly victims; *others* are clearly victimizers, numbering among themselves some of the most prominent big businesses around. Simon makes his case by shifting from a concern with liberty to a concern with cash: Businessmen are financially hurting, so how could they be running things? I shall not attempt to unravel the problems involved in this canard here. But if we are concerned with *liberty*, then all we have to do is go down the list of every tyrannical move the government has taken during the last two hundred years, from the very first pieces of legislation—a tax on whiskey to cripple small farmers, the first protective tariff, and Alexander Hamilton's "financial program" with its national bank—to see the heavy hand of major businessmen at every turn.

It is *businessmen* which were the first class to use the state apparatus as a tool to exploit others. When the "new class" came along, it began to take over an apparatus set up by business for its own ends. Efron and Simon ought to read Kolko's *The Triumph of Conservatism*, or *Railroads and Regulation*, or Weinstein's *The Corporate Ideal in the Liberal State*, or Rothbard and Radosh's *A New History of Leviathan*—or any one of nearly a hundred books on these subjects. Businessmen have not been fumbling around, moaning and wringing their hands in anguish as state power has been trampling on the liberties of the American people. They have been twisting the knife!

Now, no one should be stupid enough to claim that *all* businessmen have had this attitude, but surely most major businessmen clearly *have*. Theodore N. Vail, president of AT&T in the early part of this century, put the point bluntly regarding his own area: "We believe in and were the first to advocate state or government control and regulation of public utilities." And it was not out of some confused sense of "egalitarianism," either. Major businessmen like J. P. Morgan have been in the forefront of long-run planning to increase state power for business purposes. When business screams for liberty, it is all too often only for its *own* allies, for *itself*.

Moreover, something ought to be said about the bogey of "egalitarianism"—

An all-consuming historical ignorance permeates this book, like the view that all evil began with FDR and the New Deal.

which Simon rightly attacks, but then goes further to make it the main force behind the growth of statism. That is simply not the case. The main forces behind the growth of the state are, firstly, *war*, and militarism—look at any almanac to see when government spending and power shot up most—and secondly, the desire to use state power as a means of gaining wealth and stomping on competitors, something business has been in the forefront of, but which has, by now, reached the stage of being part of mass psychology.

One final objection to the book should be made. It completely avoids the issue of foreign policy—except for a complaint about the allegedly shrinking defense budget (Simon confuses a decline as a *percent* of the total budget with a *real* decline)—and it nearly completely sidesteps the issue of civil liberties. Let us skip over the issue of foreign policy; it may be a key, but *LR* readers have seen that point demonstrated at length over the past eight months. It is the issue of civil liberties that bothers me.

And with good reason. For Simon's most fundamental policy prescription is this:

> The overriding principle to be revived in American political life is that which sets individual liberty as the highest political value—that value to which all other values are subordinate and that which, at all times, is to be given the highest 'priority' in policy discussions.

The readers of *Libertarian Review* will, no doubt, find this noble and inspiring, expecting William E. Simon, given the title of the book and his tough-minded approach, to *mean what he says*. Don't hold your breath. Remember that Simon identifies himself as a *conservative*. That says a lot. And we must remember, alas, that deep in the psyche of the American Right lies a profound and bottomless intellectual and moral cowardice.

There is not a *word* in this book, which claims to love individual liberty, about abolishing our victimless crime laws. Not a word. It might be answered that *that* is too much to expect of a former treasury secretary who has, admittedly, made great strides in the direction of a consistent vision of liberty. I think it must be *demanded* of such a person, as proof of his *sincerity*. To claim that such is *too much to expect or demand* from a man who would posture as a crusading political leader, is to place oneself in the camp of hypocritical, cowardly scoundrels.

The problem is not merely that he largely skirts the issue, but that in the only passage in the book where freedom of lifestyles is even *raised*, it is in the typical right-wing manner: scapegoating, smearing, slandering, snarling at the disgusting deviants, and bemoaning "license." I shall quote the passages only in part, and, in honor of Edith Efron, its most flamboyant adherent, I shall call its central theme "The Zoo Motif":

> It is often said by people who receive warnings about declining freedom in America that such a charge is preposterous, that there is no freer society on earth. That is true in one sense, but it is immensely deceptive. There has never been such freedom before in America to speak freely, indeed, to wag one's tongue in the hearing of an entire nation; to publish anything and everything, including the most scurrilous gossip; to take drugs and to prate to children about their alleged pleasures; to progagandize for bizarre sexual practices; to watch bloody and obscene entertainment. . . . The strange fact is that Americans are constitutionally free today to do almost everything that our cultural tradition has previously held to be immoral or obscene, while the police powers of the state are being invoked against almost every aspect of the productive process. Even more precisely, Americans today are left free by the state to engage in activities that could, for the most part, be carried on just as readily in prisons, insane asylums, and zoos.

There is more, but I shall spare the reader. I shall also spare the reader the words that come to mind when I think about the author of those words, who ought to be sorely ashamed.

The fact of the matter—for those concerned with facts and for whom personal prejudices do not get in the way of political and cultural analysis—is that a great many people today are experimenting with dif-

ferent "lifestyles." And there are objective, factual reasons *why* this *should* be the case, why such activity should "arrive" at this particular time and place. This is *nothing to fear.* (Get that through your heads, conservatives!)

But the key point is that these people, too, face the same general economic situation as everyone else. For the most part, they participate in the money economy, they are taxed to death on every level, they are often the owners of small businesses that are being sent to the wall, inflation is wrecking their savings and is wreaking havoc with their standards of living. They, too, must be enlisted in the battle against state oppression, particularly since they contain in their camp some of the most talented, creative people who exist today.

In short, *the Zoo Motif must be smashed to bits.* Scapegoating must come to an end. If liberty is our *first* political value, tolerance must be our *second.*

But we should not give up on the book and its author. The chapters on the New York City fiscal crisis and the energy crunch are terrific. There are brilliant passages in the rest, too, from the symbolic little listing of regulatory contradictions and oppressions, to the demonstration—quite unique—that so-called "welfare" programs really have little to do with the poor, and much to do with one portion of the middle class subsidizing another. I have given only hints of its overall power and sweep, and concentrated on its shortcomings because this is really the only publication in America today where a *libertarian* critique can be expected. By the "new class," it will be torn to shreds—for the wrong reasons

My advice to libertarians is to buy and read this book, and to learn from it: It is a beautiful exercise in propaganda, deals with libertarianism fairly, and treats Hayek and Friedman with the respect they ought to command everywhere. It is a portrait of our "national crises" that is largely true to life. It is a courageous, but not fully consistent, statement by a man who may be a major figure in years to come. It is a spirited and passionate book.

Yet by leaving out both foreign policy and civil liberties, Simon has at best raised the flag of liberty to half-mast.

My only question, when all is said and done, is, can William E. Simon live up to it? We can only watch and wait. But there is one piece of his advice that we can follow immediately: "Support only those [political] candidates who will not waver on the issue of liberty." For us, at least, that means the Libertarian Party, and the libertarian movement which is its backbone. There is no real alternative. ●

The flacks of war
by Justus D. Doenecke

The Politics of Propaganda: The Office of War Information, 1942-1945, by Allan M. Winkler. Yale University Press, 230 pp. $11.95.

"I'm not here to write 'em letters. I'm here to kill the S.O.B.s," said General Patton when urged to drop more propaganda leaflets across enemy lines. "Old Blood and Guts" was expressing a common attitude among the American military, for it was always suspicious of official progapanda efforts.

The story of these efforts, and of the suspicions as well, is the topic of Allan M. Winkler's valuable book. Winkler notes that when war first broke out in Europe, Americans were suspicous of propaganda. They believed that the British had duped them into fighting World War I, recalled the brainwashing of the Creel Committee, and were besieged by contemporary studies showing that—in the words of Winkler—propaganda had "an unlimited force—the power to capture men's hearts and to bypass their rational resources." Or, as political scientist Harold D. Lasswell put it, "progapanda is one of the most powerful instrumentalities in the modern world," "the new dynamic of society."

Yet, as German panzers drove into Western Europe, such militant interventionists as poet Archibald MacLeish and playwright Robert E. Sherwood pushed for a government information agency, and the president complied by establishing the Office of Facts and Figures. (Its enemies soon referred to it as "the Office of Fun and Frolic.") A singularly inept organization, it soon saw Roosevelt shift his support to the new Office of War Information (OWI).

Born in July 1942, the OWI took the lead in promoting the war effort at home and abroad. Despite its blue-ribbon staffing, and despite its leadership under the able news commentator Elmer Davis, its story was a checkered one, for it was soon entangled in ideological and bureaucratic struggles. The military refused to give out battle reports, causing Davis to declare later that he "always suspected that Admiral King's idea of War Information was that there should be just *one* communique. Some morning we would announce that the war was over and that we won it."

On the home front, much of OWI propaganda was sheer boosterism. It printed pamphlets defending rationing and increased taxes, made movies calling for fuel conservation, and wrote radio scripts promoting war production. As Molly says to Fibber McGee, "Don't forget . . . . It's your sons of toil that'll help put those Nazis under tons of soil." The graphics staff produced a poster showing an erect Statue of Liberty holding four bottles of Coca Cola. The caption below read, "The War That Refreshes: The Four Delicous Freedoms."

OWI activities soon became attacked. White southerners opposed literature stressing black achievement, conservatives fought publicity supporting withholding taxes, Republicans criticized the glorification of FDR. Within the OWI, idealists were discontent, with journalist Henry Pringle and historian Arthur M. Schlesinger, Jr. resigning over high-pressure tactics. *Harper's* editor Bernard De Voto said that, overall, "there has been too God-damned much exhortation and denunciation, too God-damned much cleverness, . . . and too God-damned little straight talking over the table at an adult public." Congress apparently agreed, and in 1943 it abolished OWI's Domestic Branch entirely.

Often, overseas propaganda was equally constraining. Full of liberals who saw the war in messianic terms, the OWI found itself in the unenviable position of defending Chiang kai-Shek, equivocating over Vichy, and backing the Darlan deal. It had to witness censorship in India of its pamphlet *The United Nations Fight for the Four Freedoms,* because the State Department claimed that the leaflet "might incite the Indians against the British." When an OWI broadcast called Italy's Victor Emmanuel III a "moronic little king," Roosevelt publicly ridiculed the agency. Soon the OWI was asking Italians to rally around the government of Marshal Badoglio, who had led the Ethiopian campaign in 1935.

If the Allies quarrelled, the OWI ignored the controversy. And, if, as one OWI memo noted, the United States lacked "a clear political attitude toward the problems of Europe and Asia," OWI writers should "continue to use all available statements by United Nations' leaders which indicate that such an attitude is in the making." Far easier than such studied evasion was to send overseas packages of seeds with an American flag, matchbooks with the "Four Freedoms" inscribed inside the covers (or, in the Philippines, those noble words, "I shall return"), and soap powder with the inscription, "Wash off the Nazi dirt." Obviously the Administration was fighting quite a different war than its own propagandists, one that put a premium on a quick and uncomplicated victory. The OWI might claim that the United States sought a "people's peace," but it had no leverage.

The OWI had a military message as well, and in conveying it American propagandists met with more success. Despite Pat-

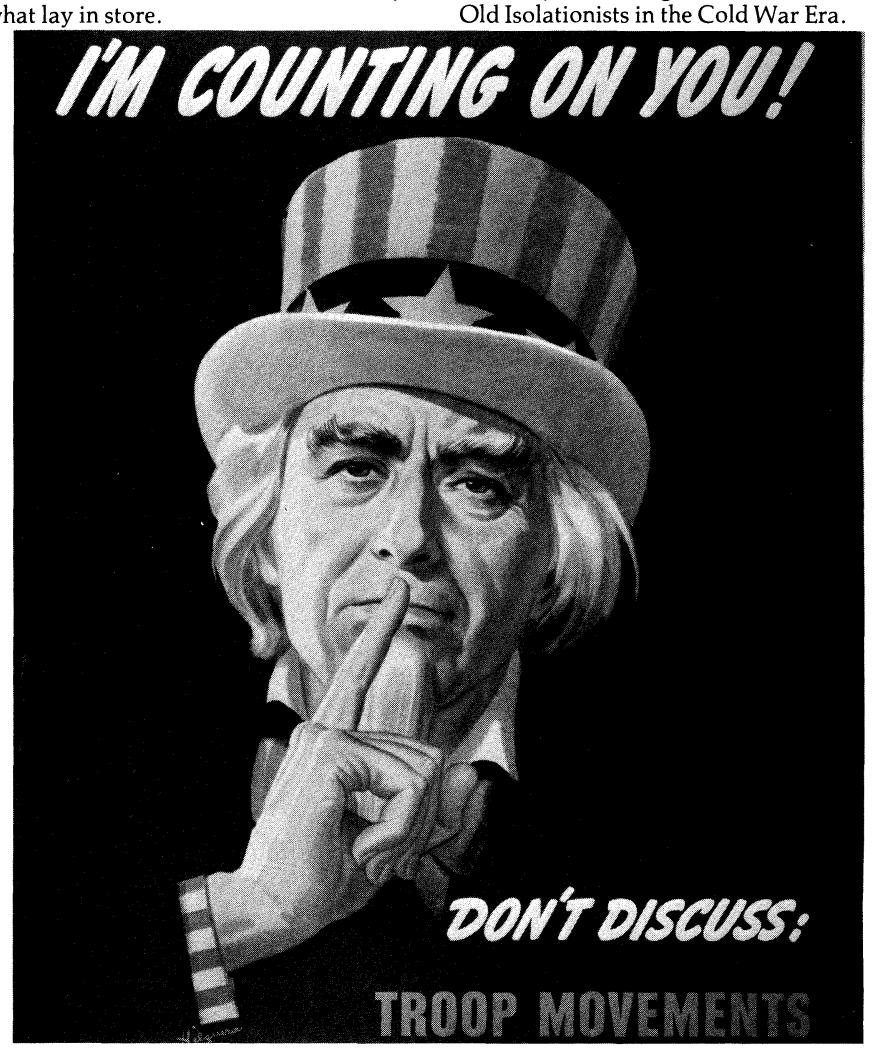
ton's reference to fighting with letters, they sent thousands of leaflets behind German lines, urging *Wehrmacht* troops to surrender and guaranteeing safe conduct. (One incident, however, backfired. At Anzio a group of GIs shot leaflets over enemy lines and waited until the Germans picked them up. As the German troops gathered them, the Americans opened fire.) Radio broadcasts reminded Germans of shortages and manpower problems, and told a few jokes in the process. A man would ask in German, "Why did Grandpa join the *Volkssturm?*"—to which another man replied, "Because he had no one to take care of him now that Grandma's in the Luftwaffe."

Unconditional surrender demands, however, were more embarrassing, with OWI deputy director James Warburg fearing that Allied rigidity might cause enemy populations to fight to the bitter end. Only when the Joint Chiefs announced that destruction of Nazism did not mean the confiscation of German property did the OWI feel it could assure the Germans of just what lay in store.

The OWI also sought to tell the Japanese that struggle was futile, doing so in a sensationalistic fashion. One leaflet read, "What is the good of *seppuku* [slit belly] when it leaves a man without sons to bear his name and carry on his family line? Do you want to be the last of your line, or do you want a family too?"

Winkler's story is disturbing, for simplistic propaganda cannot help but boomerang once a war is over. Americans had been led to expect a democratic world order and a genuinely "United" Nations; instead they confronted a Cold War that apparently would never end. Given the tragedy that can result from such naive messianism, perhaps it was Patton who was right after all. War, to paraphrase Clemenceau, is too important to leave to the brigades of the typewriters. ●

Justus Doenecke is author of The Literature of Isolationism: A Guide to Non-Interventionist Scholarship, 1930-1972, *and the forthcoming* Not to the Swift: The Old Isolationists in the Cold War Era.



Detente and its enemies

by William Marina

Understanding Conflict and War, Vol. 1: The Dynamic Psychological Field, by Rudolph J. Rummel. Sage Publications, 342 pp., $17.50.

Peace Endangered: The Reality of Detente, by Rudolph J. Rummel. Sage Publications, 189 pp., $10.

In recent months, a host of resurrected Cold War thinkers have taken aim at detente, criticizing any attempt to reduce U.S. military commitments and arms expenditures. One who has approached libertarians with this sort of message is R.J. Rummel of the University of Hawaii, who published an assault on the dominant isolationist wing of the libertarian movement in an article in *Reason* magazine last year; he has recently been quoted as an "expert" in a number of right-wing publications. In his *Reason* article, "Wishful Thinking is No Defense," Rummel cautioned his readers that he could not present his full argument in a single article, and urged them to seek out his full case in his published books, particularly *Peace Endangered.* It might therefore profit us to pursue the debate over defense policy and armaments budgets here, by looking at two of Prof. Rummel's most recent works, and presenting a brief critique of his views.

R.J. Rummel began his academic career in the early 1960s, deeply involved in factor analysis and other such statistical techniques that were becoming the rage in many of the social sciences, including international relations. Although it is unusual to see a volume dedicated to a quasi-governmental institution such as the National Science Foundation—the research directions of which have not been totally uninvolved with American foreign policy—Rummel at least was candid when he did so in *The Dimensions of Nations* (1972), for the NSF had very generously supported his research work during the previous decade. In *Understanding Conflict and War,* he again thanked the NSF as well as the Advanced Research Projects Agency of the Department of Defense (Contract Nos. N00014-67-A-0387-0003 and N00014-67-A-0387-0018), and "gratefully acknowledge[d] their continuing aid."

This kind of scholarship—tethered to the federal trough—has, of course, become a way of life in the groves of academe. It is nothing new in history. Every state and every empire has always had a coterie of

court academicians. Tacitus and Lucian of Samosata offer us marvelous pictures of the intellectuals fawning around the Caesars, and seeking appointments to the imperial academies. But to see in what respects R.J. Rummel fits into this mold, let us consider his case.

Understanding Conflict and War is worth scanning as an example of what C. Wright Mills used to call the "social pathology" of academia. Rummel tells us that his work has reached the point where he "now must deal with the philosophical presuppositions, conceptual framework, and substantive aspects of field theory" and "can move to the dominant questions about violence."

This first volume "deals with man's psychological nature and freedom. . . . Is man inherently aggressive? Does he lust for power? Is his perception at the root of conflict? Most important, does the future lie within man's hands?"

Rummel notes that he does "not bring psychology directly to bear here," for this can be done only "after the relevant sociological, epistemological, ethical and theoretical problems and aspects of the field of man have been considered in future volumes." Along with his two earlier studies, this book is to be "perceived as the corner of the foundation upon which I intend to build a unified speculative-theoretical-empirical analysis of violence and war."

Rummel declares:

> Future volumes will consider the sociocultural field, the relevant conceptual and substantive nature of international relations, the appropriate epistemological viewpoint (an objective perspectivism), the mathematical structure of field theory, the empirical evidence, the underlying ethical system (intentional humanism and libertarianism), and praxis. How many more books I cannot say, for writing itself is a process of discovery, and what was meant to be a few chapters can become a full volume, as has happened with this book. I know, however, what I want to do, and most of the necessary empirical research and mathematical analyses have been completed. What remains are synthesis, evaluation, thought, and speculation, and common sense.

Move over Mises, Hayek, Rand and Rothbard!

I have taken the space to quote the above, not because of the pomposity and pretentiousness—though goodness knows it is there—but for a different reason. The most common mistake of book reviewer is to demand that a book be what they believe it should, rather than what te author stated was his intention. In Rummel's case, it is evident that he has promised the reader a great deal, and the book has to be judged on those terms. Does he in any way deliver?

Apart from his rather turgid, social-science style, Rummel's approach at first glance seems almost Aristotelian. Aristotle's approach was first to offer a number of other views on a question, virtually in encyclopedic fashion, before giving his own ideas, often a rather subtle synthesis of what he had touched on earlier.

Rummel simply lurches from category to category, all neatly laid out with numbers, without pulling his ideas together.

The same, unfortunately, cannot be said of Rummel. His book has the encyclopedic quality, all right, but it never develops beyond that point. Certainly he has ingested a great mass of information, ranging rom Kant to Eastern thought to recent social sciences; but when all is said and done, there is little evidence that Rummel has digested it into a comprehensive theory of his own. He simply lurches from category to category, all neatly laid out with numbers, without pulling the ideas together. If this cornerstone volume is any indication, then Rummel can go on laying blocks forever, with as many additional volumes as he is able to churn out, and still lack a structure of any recognizable configuration.

It is almost a relief, after *Understanding Conflict and War,* to turn to *Peace Endangered.* Rummel uses the first 14 pages to give us his own potential scenario for 1979: Naturally, the Soviet Union is pushing the United States around in the Middle East. Our "national security" and "vital interests" are threatened. (It is interesting that one who has criticized libertarians for "wishful thinking" should have to "invent" a hypothetical case to frighten the American people. Can he give us no historical example to illustrate his point? One can give plenty of examples of the reverse situation.)

The focal point of criticism in Rummel's essay is Henry Kissinger and the policy of detente. It is not merely that Rummel believes the United States has not insisted on the proper safeguards in its efforts at arms control with the Soviet Union; his critique is far more fundamental. He is at least accurate in giving the essentials of Kissinger's world view: "It is that hostility, tension, overt conflict, and war between adversaries are results of unbridled growth in power and a lack of bonds providing a vested interest in peace. Peace equals controlled power and a web of transactions."

Rummel will have none of Kissinger's detente: "Detente, then, is a fear of nuclear war. Fear is its engine. Detente is also a hope and a belief: hope that power can be restrained, and belief that cooperative transactions lessen conflict." And, Rummel concludes, "when subjected to computer analysis this equation simply does not hold. Indeed, the computer reveals in detail that arms control has caused a unilateral American reduction while the Soviet Union has driven toward a massive military buildup, quite contrary to detente." One wonders whether this computer that reveals all is the same one the Pentagon was using a decade ago when it kept saying that the Vietcong ought to quit because they were outgunned—and besides, they should all be dead anyway, according to "body counts"! Here, as elsewhere, Rummel is simplistically enamored of the trendy social science methodologies of the 1960s, drawing a false and misleading "wisdom" from juggled statistics and computer print-outs.

In both his book and his *Reason* article Rummel acknowledges that we are engaged primarily in a moral struggle, but then immediately chases off to discuss military responses. But if it is a moral struggle we fight—particularly as libertarians—it must be a moral struggle against statism everywhere, not merely that of the Communist variety. Yet if this also is the case, Rummel should realize that dwelling on militarism, as Herbert Spencer and others long ago pointed out, only helps the growth of the state.

There is not space here to take up each of Rummel's arguments in detail; that would require a book at least as long as his own. *His fundamental point is easy to state: that American military superiority is a myth, and that we are in retreat while the Soviet Union is surging ahead.* That argument is not a new one. Cold Warriors have been parading it about since World War II. Every so often it is acknowledged that

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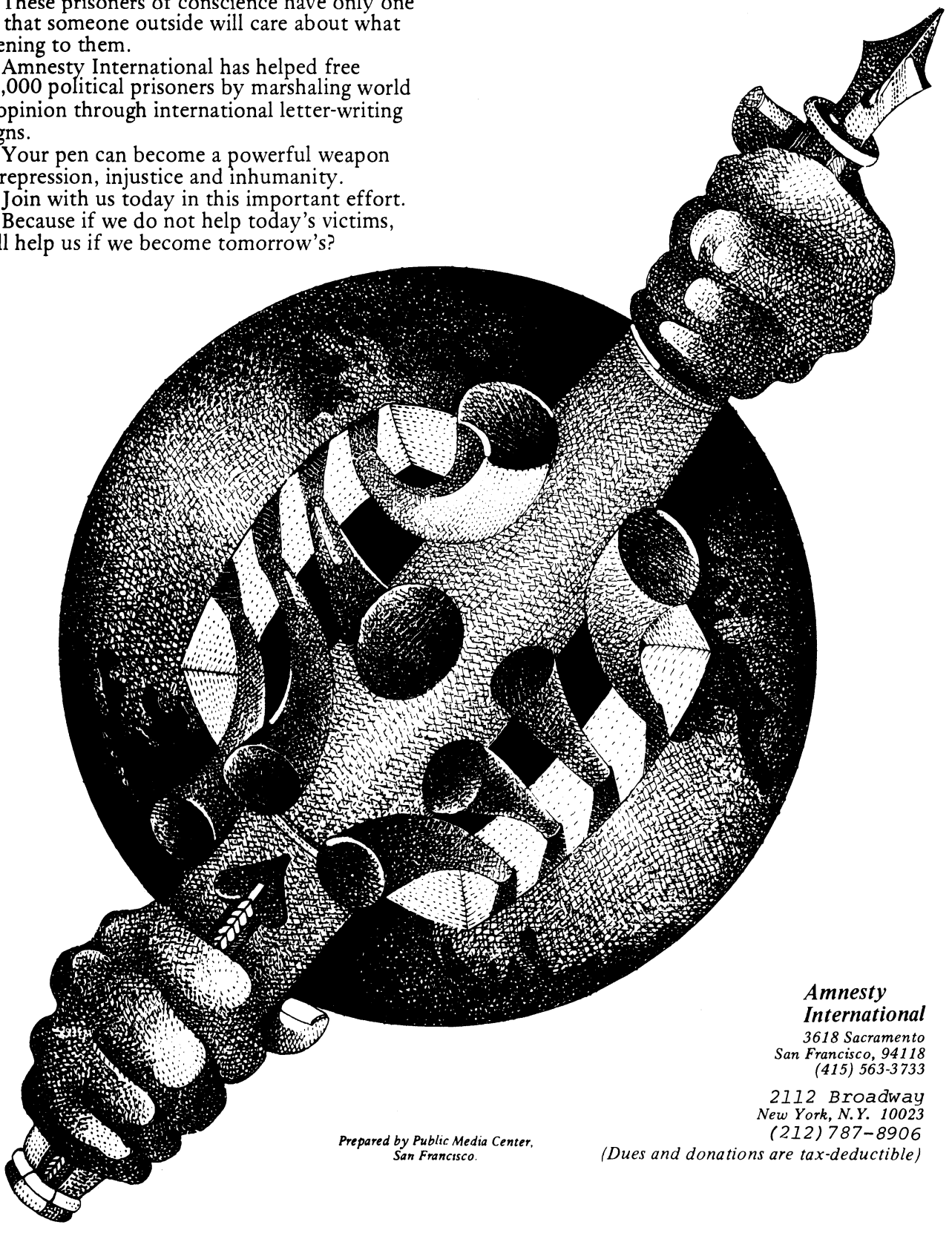

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earlier "Soviet threats" were indeed exaggerated: that the "missile gap" of the late 1950s and early 1960s was in reality a myth—that we were in the lead even then—or that, yes, NATO was for years in an offensive strike posture against a Soviet defense. But these facts—and many more like them—are always acknowledged without ever asking whether the Soviet buildup was in any way a response to *our* initiatives. Listening to our supposed "experts," we would have to believe that in the 1960s the Russians were apparently able to disguise the extent to which they were woefully behind us.

Yet one wonders if the Pentagon aided a bit on this, since it would have been a severe blow to American military budgets if it had been admitted how really far ahead we were. As a guide to the above, and as a corrective to Rummel, the interested reader might consult E.M. Bottom, *The Balance of Terror* (1971); A.M. Cos (a former CIA agent), *The Dynamics of Detente* (1976); and Robert Kaiser, *Russia* (1976).

If it is a moral struggle we fight —particularly as libertarians—it must be a moral struggle against statism everywhere, not merely that of the Communist variety.

The claims of the new Cold Warriors to the contrary notwithstanding, the American position remains qualitatively superior in virtually every area, and even quantitatively superior in several. A few examples will have to suffice here.

The Russian navy, despite its growth since the humiliation inflicted upon it by the United States in the 1962 missile crisis, is still clearly second to our own, without adding in NATO. Their only large carrier is less than half the size of our largest ships. Soviet nuclear submarines are so noisy (gearing down the turbine) that our bottom sonar can read the signature of each individual sub. Thus we know where virtually all Soviet nuclear subs are (by number) at all times, because they must cross shallow, monitored exits to blue water. And *they* know where virtually none of *ours* are. In a confrontation, we would immediately wipe out their subs. During the last year, this lead was discussed in Soviet and American naval journals, and even made the newspapers. Perhaps it is time Rummel fed this data into his computer.

Soviet ground forces remain large. Given their problem with China, and the internal discontent within their empire—including Russia itself—this is unlikely to change. While American scholars have demonstrated the low morale in the U.S. military, Sovietologists like Prof. Robert Wesson would appear to suggest our military's morale is high by comparison with Russian forces. This opinion is echoed by recent defectors.

In the light of such recent revelations, even the American military is now strangely silent when it comes to "warning" us of Russian air superiority. The Foxbat is a prime example. In 1973, the Air Force Secretary cautioned that the Soviet Foxbat was "the best interceptor in the world today . . . and has a highly capable avionics and missile system." Congressman Robert Carr commented that "the Foxbat has been presented to the American people as a machine which can blow our best combat aircraft out of the sky."

In 1976, of course, a defector to Japan in a Foxbat gave us a chance to examine these dire warnings from the military. As we shall see below, the Foxbat is terribly inferior. But what of the secretary's 1973 statement? Only two possibilities exist. One is that, despite the knowledgeable tone, our intelligence was incredibly bad. I think that was not the case. The second possibility is that we were deliberately lied to. I believe that was the case—as has been so repeatedly demonstrated in this century, especially in the last several decades. *If* there is a moral crisis in this society, those who have lied repeatedly might consider their part in creating such a situation.

The Foxbat was barely equal to our 15-year-old planes. It used vacuum tubes rather than transistors, steel rather than titanium. In 1964 we had a plane similar in performance to it, the YF-12A, but it was never produced because we saw no need for a high altitude interceptor, given our advanced tactics. (The Soviets still lack look-down radar, which appears beyond their technological capacity at present and for some years to come.) As Congressman Carr—a pilot and member of the Armed Services Committee—concluded of the Foxbat: "As a reconnaissance aircraft it is very good, but we have had better for a decade. As an interceptor, it is obsolete and inadequate. As a low-altitude penetration aircraft, it is poor. And as a demonstration of technology it calls into serious question the Pentagon's claims of mushrooming Soviet military gains. . . . [E]ither of our two newer Air Force fighters can outclimb, out-accelerate, out-turn, out-see, out-hide and out-shoot the Foxbat by margins so wide that our expected kill-ratio advantage is almost incalculable. No U.S. F-15 or F-16 pilot need fear the Foxbat unless he is asleep, radically outnumbered or an utter boob."

Which leads us finally to the whole questions of missiles, a primary factor in a first-strike nuclear war, which Rummel and other Cold Warriors see as the goal of Soviet strategy. First of all, no one can deny that the Russians have been building huge rockets, and quite a number of them. The real question is, what does this all mean? How should we interpret this? To do so, we must consider certain facts behind any strategy involving missiles—nuclear or otherwise.

The problem of an aimed nuclear missile is not unlike that involved in firing a gun. The bullet does the lethal damage, but it requires a powder charge and a gun with a barrel that is coordinated to a sight, so that the bullet goes precisely where one wishes it to. The missile's warhead (nuclear or otherwise) is similar to a bullet. The rocket which carries it is much like the powder charge which pushes the bullet. Finally, the missile needs a guidance system that will direct it accurately to the target as the barrel and sight on a gun do the bullet.

With the above analogy in mind, let us consider for a moment the cruise missile. No one, to my knowledge, denies that the cruise missile puts the United States years ahead of the Russians. (The politics of the "cruise missile" would make an interesting piece by itself. In 1975, data on the cruise missile was leaked to shoot down the SALT talks; in 1976, one service leaked more data, thereby cutting down the B-1 appropriation—a "Chicago" economist who studies such items confided to me that the cut was about $10 billion—and in 1977 this was done again, finishing off the B-1 once

and for all.)

What is it that makes the American "cruise" such a fearful weapon? It opens up a new strategy. How is that possible? Both we and the Russians have nuclear warheads. The rocket itself is not all that advanced beyond the German "buzz bomb" of World War II fame. The difference is in the guidance system. The buzz bomb used a small rotor in the nose acting as a crude odometer; when it had made so many revolutions the motor cut off and the bomb plunged earthward. U.S. technological ability today is such that we have miniaturized a sophisticated electronic guidance system into the small cruise, which makes it possible to launch it accurately from all sorts of places. The system is given a roadmap provided from earlier satellite photos. Flying at low levels, beneath radar, it can take evasive tactics and return to course, finally launching a multi-targeted series of warheads.

Whether the Soviet Union would like to bury us is really beside the point. They simply do not have the technology to do so, nor is there any indication when they might have it.

The key point, of which our expert, Prof. Rummel, certainly ought to be aware, is that *a first-strike strategy cannot safely be undertaken unless the country involved has extremely accurate guided missiles that can be relied upon to get through and immediately take out the other side's weaponry before they can launch any of their own weapons.*

Whether the Soviet Union would *like* to bury us, and move to a first-strike strategy at this time, is really beside the point. They simply do not have the technology to do so, nor is there any indication as to when in the future they might have it. Quite apart from the accurate guidance systems needed for such a strategy, even the huge Russian rockets are rather unsophisticated series of tied-together engines.

Tracing the behavior of the two powers during the last few years may help us to understand better the present situation. With our manned bombers, the United States very early had a massive lead in ability to deliver weapons against an enemy. While we were *always* ahead, there came to be a time, by the late 1960s, when massive retaliation and mutual assured destruction (MAD) prevailed. The number of American rockets and warheads has for a long time been equal to such a retaliation. What now changed, while maintaining the rather stable number of American rockets and warheads, was that our guidance systems began to move far in advance of the Soviets. (A hit within twenty yards of a hardened site is needed to take out the missile there, while the Soviet inaccuracy was such as to preclude any such guarantee).

Given their primitive technology, the Russians developed about the only tactic open to them: larger numbers of huge missiles with enormous warheads. These may kill millions with their great inaccuracy, but they simply will not take out hardened sites; only by accident will they come that close. This is a very good point of reference for the layman to use in evaluating a supposedly honest expert on the arms question. In stressing the enormous "throw weight" of Russian missiles, does the writer mention that this is actually an admission of *weakness?* Or does he try to scare the reader into believing that "throw weight" is something the Russians have which we do not?

To imply the latter is a dead giveaway of fundamental intellectual dishonesty. Just as in the case of the Foxbat, if the United States believed such huge vehicles and warheads desirable, we certainly have the technological ability to produce them. Clearly, we see them of little strategic value. One does not use a meataxe for a heart operation.

Here again, the analogy with the gun is appropriate. One does not use an elephant gun to kill a rabbit. The poorer a shot one is, the more one may need either a large caliber or a shotgun. But neither of these is a substitute for accuracy, and less effective if the animal is in his lair (hardened site).

There is a misconception that the United States will have a first-strike capacility only when the cruise is fully operative and widely dispersed. That is simply not true. Certainly it will make such a strategy even more assured, but *the guidance systems on U.S. high altitude missiles already give this nation the capability to pursue this strategy.* This reality makes the present world situation such an unstable one. For example, although hardly mentioned in this country, the Pentagon this summer replaced warheads in Europe with a new,

The militarists in both the U.S. and the U.S.S.R. merely increase the threats of violence and war that we face.

advanced type. European papers discussed its implications, and the *Herald-Tribune* (June 4, 1977) commented that this development was of far graver concern to the Russians than the potent cruise missile as a future system, for it was immediate and of far-reaching impact.

Some years ago, I would have concluded that Rummel and others like him were simply mistaken in their analyses. But after listening to their claims, and witnessing their selectivity and continual omissions year after year, one begins to doubt their objectivity and integrity.

The fact of the matter is that these are extremely dangerous times, and the militarists in both the United States and the Soviet Union merely increase the threats of violence and war that we face. Each side claims to be responding to initiatives from the other side; yet one must admit that the historical evidence points to far more in the way of an interventionist tradition on the part of American foreign policy than in that of the Soviet Union. We need find neither side innocent of the sins of empire, however.

Unfolding events offer us an unparalled opportunity today to replace the current "internationalist-interventionist" paradigm that has dominated and confused 20th century thinking on defense and foregin policy matters in this country. Libertarians are particularly well equipped to lead such a rethinking of foreign policy issues, for they are the heirs to an earlier, grand tradition of opposition to imperialism, militarism and empire. In the long run, it may be libertarians alone who have the ability to arrive at creative solutions which lie beyond the sterile alternatives continually espoused by Cold War liberals and nationalistic conservatives alike. ●

William Marina is professor of business, communication and history at Florida Atlantic University. He has written and taught on the subject of foreign and military policy for over a decade.

Disorganizing the antitax movement

by Tom G. Palmer

How to Fight Property Taxes, by Dan Lewolt. National Taxpayers Union, 34 pp., $2.00.

Taxes are skyrocketing. Widespread and popular tax strikes have flared up in Illinois, Oregon, Ohio, California, and other states. Popular sentiment about taxes consists largely of an incoherent rage against governments which continue to expand their power at the expense of their productive citizens. The average property owner, in most communities, feels that his back is to the wall; he is faced with a future that bodes only greater and greater predation upon his property and earned income.

This is the kind of sentiment that can give birth to great social change. It is, in particular, a prime opportunity for libertarians—the only advocates of a fundamental philosophical change, advocates of the rights of the peaceful property owner against his rulers. The property owner of today is the serf of the modern centralized state. He is condemned to toil in order to pay enormous taxes for the privilege of owning property which he purchased or transformed by his own labor. In return for this serfdom, the small property owner is manipulated and controlled; his children are kidnapped and taken to state-run "educational centers," where their values are warped and their minds are wasted; he must pay for inefficient "services" which he has no power to refuse; he must support an every-burgeoning and callous bureaucracy which serves only its own interests—when it is not service the interests of the mighty and powerful. While the feudal serf was forced to relinquish one-quarter of his produce to his lord, the modern serf must hand over nearly half of his income to the new class of rulers and bureaucrats.

While all productive members of society (and many who are not productive—e.g., poor people forced onto welfare by government regulations) are victims of the predation of the state, few are as susceptible to truly revolutionary sentiment as the oppressed home owner, one of the largest segments of American society. As the *political* power of the state increases, he sees his own *economic* power to determine the course of his life decrease. The connection between cause and effect is too obvious to be overlooked.

The need, then, for organizational tools to create an effective grass-roots movement against state power is greater than ever before. A widely distributed booklet of strategies and tactics might do much to direct the taxpayer's incoherent rage into productive channels—i.e., toward the reduction of government power. One would expect the National Taxpayers Union, run by libertarians, to take the lead in supplying this urgent need. One would be wrong.

The NTU has published a booklet purporting to fill this gap, misleadingly entitled *How to Fight Property Taxes.* But the political slant of the author is hardly libertarian or radical; it is an apologia for establishment statism. One should not blame Lewolt, the author, for not being a libertarian; that would hardly be just. However, the libertarians at the National Taxpayers Union should be ashamed for putting their sanction on a set of policy prescriptions which are so shockingly statist.

The book does contain one merit. Nine pages of the book are devoted to a commonsensical discussion of the mechanics of appealing one's property value assessment. This useful information, available from any walk-in tax advisor, hardly offsets the great damage which this book may do to the future of the antitax movement.

Lewolt's political prescriptions for fighting property taxes include: taxation of church property and elimination of exempt status for other groups; increases in the income and sales taxes; increases in the budgets of tax collection agencies so that they may "more equitably" gather in the loot; salary increases and more government-financed training for the "underpaid" (!) and unprofessional assessors; and adoption of the view that "you are not out to defeat the system— you are out to get the people who make it run so badly."

I would have expected this sort of thing from John Gardner's Common Cause, but not from a libertarian antitax group like NTU. Of course, had I considered NTU's previous publication of Robert Poole's *Cut Local Taxes* (reviewed by this author in the January-February 1977 *LR),* a manual intended for use by bureaucrats in defusing antitax sentiment, I might not have been so horrified. However, their present release succeeds in the difficult task of making Poole's work read, in comparison, like Lysander Spooner's fire-breathing *No Treason.*

Lewolt's book reads like a semi-egalitarian tract trying to cash in on an incoherent but essentially libertarian hatred of taxation. "[O]ne of the causes of soaring property taxes," we are told, "is the increasing amount of property exempted, or excused from paying, property taxes." In particular, exempt church property stands out as a juicy plum just waiting to be plucked by the state. After all, says Lewolt, "with assets that run well over $100 billion in the United States alone, many churches can hardly plead poverty." Further, if churches were to lose their "tax benefits" (!) "[t]hey would have to stop spending money on *unnecessary* church structures and begin to concentrate their plans on community *usefulness* and spiritual goals" (emphasis added). In short, the argument for looting one of the few institutions which are largely free of political control amounts to an appeal to malicious envy: "they can hardly plead poverty," they should be forced to act in the manner which Lewolt feels proper, and they should be made to suffer like the rest of us.

Lewolt tries to escape the charge that taxation may lead to government control of religion (as it has over so many other social institutions) by referring to taxes imposed on churches as "user fees" for government-provided services like fire and police protection. He even goes so far as to state that this would "establish a principle for keeping state control of religious activity at a minimum. If political authorities in the future were to seek to favor or destroy any religion through taxation, the 'user pays' concept would keep them in bounds." This is very wrong-headed. If an individual or group is unable to refuse a service, then it is *not* a service, and the involuntary charge made for it is *not* a fee. It is *robbery.* I might also mention in passing that the American state has recently given us a clear demonstration of its willingness to use its power to persecute unpopular and undefended religious minorities, namely the eccentric "Moonies," who are presently being deported or incarcerated (and "deprogrammed") for their beliefs. Taxation of church property would be a grave blow to the principle of separation of church and state, and hence to the notion that the state should not automatically exercise control over any institution in society.

Perhaps the most outrageous of the exhortations which Lewolt offers us concerns those justifiably hated agents of state power, the tax assessor and the tax collection agencies. Approvingly citing Senator Edmund Muskie, Lewolt declares that "the big problem of property tax administration is that most assessors aren't professionals. They tend to be underpaid and lack training. . . . Localities must be willing to invest more of their resources to guarantee efficient assessments. . . . If assessors received more pay and better training, they could serve in a larger role as custodians of a property information system." Finally, the angry taxpayer is told: "When arguing for

reform in front of local policy making bodies, ask for more adequate funding of property tax administration, because reform is futile without it." In other words, the ripped-off taxpayers must stand up as champions of the very men who take the money out of their pockets, although they are employees of someone else. I hardly think that creation of a more efficient IRS will lead to a freer society. The American revolutionary leaders, most of whom were disgruntled taxpayers fired by the libertarian ideology of *Cato's Letters*, had a different attitude toward the tax man. Anyone who accepted the post of tax collector had his house literally torn down by angry citizens. No petitions demanding higher shares of the loot for tax collectors were sent to King George.

Many of these unlibertarian sentiments would not be so objectionable if, in fact, we were "not out to defeat the system," but rather to "get the people who make it run so badly." However, the libertarians at NTU should be awake enough to realize that this sentiment is hardly in accord with a libertarian worldview. When states (or anyone else) rob people, the act is a crime. Replacing one gang of administrators or beneficiaries with another is hardly an important change from a libertarian perspective. While a booklet aimed at the angry taxpayer who has decided that "it is time to do something" need not set out the entire libertarian dialectic, it surely should not mislead him into channeling his energies into a call for taxing "the other guy." The point of a taxpayers union, national or otherwise, is to reduce or abolish taxes and government controls whenever one can. Extension of taxation to others in order to force them to shoulder "their burden" is hardly appropriate advice for angry taxpayers who are sincerely interested in tax reduction and are susceptible to libertarian influence.

James Tobin, one of the heroic leaders of the ongoing tax strike in Chicago, was asked to write a foreword to the book. He obviously had not seen the manuscript to which his stirring prose wold be prefixed, for every sentence of Mr. Tobin's introduction contradicts the material which follows.

How to Fight Property Taxes is, quite seriously, a grave threat to the future of the antitax movement, for it will, if distributed, channel genuinely antigovernment feelings into a disastrous desire to create a "more equitable" tax system—one in which *someone else* pays the taxes. ●

Tom G. Palmer is former head of Young Libertarian Alliance and a frequent contributor to LR.

Expectations and pluralism

by Lawrence H. White

Capital, Expectations, and the Market Process, by Ludwig Lachmann. Sheed, Andrews and McMeel, 352 pp., $12 cloth, $4.95 paper.

Professor Ludwig M. Lachmann, who has spent the past two years as visiting professor of economics at New York University, has now departed the American scene, returning to his home in Johannesburg, South Africa. But before leaving he has given us a compact and indelible record of his remarkably comprehensive tastes.

Lachmann's writings over the past 40 years have been primarily critical. With a viewpoint unique in the profession and with an erudition all too rare, he has examined the theoretical and methodological underpinnings of modern economic doctrines (neoclassical, neo-Ricardian, "neo-Austrian") to point out how shaky and how delicately poised are their doctrinal edifices. Lachmann chooses to call his own viewpoint "Austrian," but this label is misleadingly narrow, for it is apt to conceal the breadth of his intellectual roots and interests from the reader.

To those schooled in the ultratechnical, formalist approach to economics, the essays in this collection may seem not only broad in scope but diffuse. Lachmann himself has commented that the current state of economics is one in which "the narrower the range of one's speciality the higher the reputation one is able to enjoy." His constant and scrupulous attention to methodological matters alone is enough to mark him a heretic—even a heathen—in the brotherhood of the economics profession.

Walter E. Grinder' extended introduction to the volume does a fine job in placing 17 previously-published essays (two newly translated) into perspective. Grinder accurately identifies Lachmann's "total devotion to subjectivism in economics" as his distinguishing characteristic as an economist, and notes that "the evolution of his understanding and application of subjective concepts over the past four decades is a coordinating theme for these otherwise disparate essays and lectures."

Within the broader theme of the subjectivist approach to economic issues, four noteworthy lines of thought run through these essays: 1) an advocacy of the Weberian *verstehende* method as a theoretical method of economics; 2) an emphasis on the constantly changing, social

pattern of knowledge; 3) an effort to extend subjectivism from the tastes of economic agents to their expectations, or anticipations of future states of affairs; and 4) a theoretical pluralism which culminates in institutionalism.

I have dealt with Lachmann's methodological views in my monograph *Methodology of the Austrian School*. Here it need only be added that for Lachmann, unlike Israel M. Kirzner, *Verstehen* is a method broader in compass than praxeology.

Lachmann emphasizes the constantly changing pattern of knowledge in his introductory essay, "Austrian Economics in the Present Crisis of Economic Thought," newly penned for this collection. In grappling with the issues in capital theory raised by the neo-Ricardian challenge to neoclassical orthodoxy, Lachmann emphasizes the kaleidoscopic nature of the capital structure of an economy. With one twist of events, a new set of expectations emerges, a new pattern of prices prevails, and "entrepreneurs have to reshuffle capital combinations." Dissenting from the orthodox preoccupation with equilibrium states, he views the market economy "as a continuous process, in the course of which the knowledge possessed by some participants becomes diffused to many, while new knowledge is acquired by some, and some earlier knowledge becomes obsolete."

The subjectivism of all expectations means, for this author, that the diffusion of knowledge involves "a set of forces the interaction of which yields no determinate outcome." Many students of Lachmann's writings have concluded that in his mind no determinate dynamic economic theory, projecting the real repercussions of a market disturbance, is admissible. Toward this "nihilistic" interpretation of his views Lachmann exhibits some affinity and yet some reservation.

The tension in Lachmann's thoughts on the possible scope for a dynamic market theory grows out of his concern for the elusive nature of expectations. "The Role of Expectations in Economics as a Social Science," the finest essay in the volume, struggles heroically with a problem that generations of economists have swept under the rug of theoretical abstraction. Although elsewhere he has caused some confusion by insisting that expectations "must be regarded as autonomous, as autonomous as human preferences are," here he clearly distinguishes between the subjectivism of preference and the subjectivism of expectation. He notes that expectations "are on a somewhat different plane, as they are, while wants and resources are not, largely the result of the experience of economic processes." Nonetheless, expectations of future events are not uniquely determined by past experience, for different people—particularly entrepreneurs—may interpret the same recent history differently and form different expectations as a result.

An economic model that specifies expectations as a function of the past, actions as a function of expectations, and the future as a function of actions, reduces to a model in which the future is simply a function of the past. A model that leaves indeterminate the revision of prior expectations cannot progress beyond day zero.

What above has been called "theoretical pluralism" is the methodological position that no single body of theory (Austrianism included) can be adequate to all situations. Now, we might agree with Lachmann that theoretical hubris is indisputably dangerous. But where theoretical pluralism might lead us is no less clear. Lachmann offers, for example, the view that "booms may collapse and depressions come to an end, for all sorts of reasons" and therefore a single theoretical model must "fail to give an adequate picture of the range of analytical tools required to cope with these baffling complexities." In particular, he finds the Austrian theory of industrial fluctuations adequate only to the Panics of the 19th century, while endorsing the Keynesian interpretation of the 1929 crash as "an underconsumption situation." Most Austrians disagree strongly with this interpretation, and believe Austrian business cycle theory, as developed by Mises and Hayek (with perhaps some refinements), fully capable of explaining the Great Depression.

Ludwig Lachmann

Ludwig Lachmann has provided invaluable weapons for contests over ideas of the present day and for contests yet to come.

There are, however, limits to Lachmann's pluralism: At least he is willing to brand inadmissible any macroeconomic theory not founded on individual decisions, and to declare that in some contexts "equilibrium concepts hinder rather than promote understanding." He is less than sufficiently discriminating, however, when he evaluates the compatability of "Cultivated Growth and the Market Economy," and when he casts about for an explanation of "Causes and Consequences of the Inflation of Our Time." In the former address he takes a rather-too-sanguine view of the usefulness of Prof. Wassily Leontief's input-output analysis for indicative planning. In the latter essay he offers a wholeheartedly institutionalist account of contemporary inflation.

Disagreement with Lachmann over these and other points, however, should not be allowed to eclipse one's sheer delight over the critical brilliance he has displayed throughout his long career. He has taught us much and has provided invaluable weapons for the contests over ideas of the present day and for contests yet to come. Although the weapons Lachmann forges must be handled with care, that is precisely because they are so sharp. ●

Lawrence H. White is a graduate student in economics at UCLA.

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