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Ethnic Politics In New York

Life being what it is, time and the political campaign move faster than the *Libertarian Forum*. So I am writing this during the campaign while you are probably reading it after the election is over. Nevertheless, the defeat of Jacob K. Javits in the Republican primary — whether or not he manages the unlikely feat of pulling out the election on the Liberal line — is a cataclysmic event in New York politics. The good, grey Javits, the epitome of Rockefeller Republicanism, unbeaten in countless elections and seemingly unbeatable — what in the world has happened? Has New York swung dramatically rightward? Not likely in view of the victory of Liz Holtzman in the Democratic primary. No, the Javits defeat, as well as the Holtzman victory, can only be understood — as is the case of New York politics in general — in the light of ethnic-political analysis.

Let us begin with certain constants. In the first place, New York City Jews dominate every statewide, much less citywide, Democratic primary. Why is that? Because ethnic realities are such in New York that (a) all WASPS are Republican; (b) all Jews are Democrats; (c) most Italians are Republican; and (d) Irish, what is left of them, are split between the two parties. But what of blacks and Hispanics who are also all Democrats? (Individualists will undoubtedly bristle at the use of the word "all" in this paragraph. But "all" means statistically significant votes.) Ahh, herein lies the rub. For one of the notorious facts about New York politics is that enormous proportions of eligible Jews turn out at the polls not only in general elections but also in primaries, whereas blacks and Hispanics barely bother to vote in elections, much less in the seemingly unimportant primary balloting. Ergo, Jews dominate Democratic primaries.

Since there are very few WASPS in New York City (a group virtually limited to Park Avenue millionaires, corporate executives, and actors), Mayoralty elections are invariably won by Democrats. On the other hand, since there is a paucity of Jews, blacks and Hispanics outside the city, and since upstate and suburban New York is largely WASP, we are left with a rough balance between the parties on the statewide level.

Since Jews dominate every statewide Democratic primary, this means that if the Jews will it, every statewide candidate will be Jewish. But in that case, care has to be taken that the candidate not be too leftish, for then all the other ethnic groups will be alienated, and the Republican will win. In short, if the Democratic candidate for Governor or Senator is Jewish and — or too leftish, he or she will lose.

During the old days of the "brokered" conventions, political leaders, schooled deeply in the intricacies of ethnic reality, made sure that the statewide ticket was "balanced", i.e. that each major ethnic group had its share of the political pie. But now that

"reform" has won out, and primaries have taken over for every post-disaster can easily occur, because there is no human mechanism to assure balance. Thus, a few years ago, for the five major statewide posts the Democratic primary system nominated four Jews and a black (a ticket unkindly known by New York politicians as "four Jews and a jig.") Every one of them went down to ignominious defeat in the general election.

On the other hand, God must have been looking out for the Democrats in the 1976 primary, when Daniel Patrick ("Pat") Moynihan narrowly defeated the redoubtable Bella Abzug. For Bella, ultra-left and Jewish to boot, would have been smashed in the election. But how did Moynihan manage to win? Because he was able to put together enough Irish and other "ethnic" (i.e. Catholic) Democratic votes, plus attract enough Jewish support to win. Part of the split in the Jewish vote came because of the palpable shift to the right among many Jews in recent years. Another part because Moynihan is the political embodiment of neo-conservatism, a trend launched and virtually consisting of New York Jewish (usually ex-Trotskyite) intellectuals. But, third, the defection from Bella was not simply a question of ideological content. It was more a matter of style, of esthetics. For Bella is the last of the raucous, shrewish, fishwife generation of the 1930s; many male Jews fled from Bella at the ballot as they have fled from other embodiments of the generation in real life.

What then of 1980? Since there are very few Jewish Republicans, it is difficult if not impossible for a Jew to win a statewide Republican primary. But, *once* accomplished, as Javits did as a loyal Dewey-Rockefeller liberal Republican, once a tradition of Republican victory is established, then the liberal Jew will capture half the Democratic vote at the election, and ease in to victory in a landslide. This is precisely what happened to Javits. Tradition and the Rockefeller machine saw to it that there were no sharp primary challenges to Javits; and then, commanding the Republican vote plus a huge chunk of the Democrats, Javits was able to win by a huge margin every time.

This year, the aging Javits launched his campaign with bold self-confidence, admitting frankly that he suffered from motor neuron, a progressively debilitating disease. His only opponent was the unknown Alfonse D'Amato, the supervisor of the town of Hempstead, in suburban Nassau County. It looked like another Javits walkover. But D'Amato launched a vigorous and bitter TV campaign, hammering away constantly at Javits' age and infirmity. It is generally a myth that this kind of "negative" campaign creates an overcompensating sympathy backlash. Certainly it did not in Javits case. For the facts were incontrovertible, and D'Amato led an exultant group of rising Italian Republican voters, who voted not only as conservatives but also as Italian-Americans embittered

(Continued On Page 2)

The Boston Anarchists and the Haymarket Incident

by Wendy McElroy (Grosscup)

One of the effects of the Haymarket incident was to polarize the American anarchist movement of the late 1880s into the "Boston" and the "Chicago" factions. This incident occurred in Chicago on May 4th, 1886. As a peaceful street meeting — organized to promote an eight-hour day — was breaking up due to rain, a squad of policemen charged down the street toward the crowd demanding that it disperse. From somewhere within the crowd, a bomb was thrown among the policemen, killing several and inciting the rest to fire randomly into the assembly. Several people died and many were injured.

Although he was demonstrably innocent, A. R. Parsons, one of the speakers and a prominent local anarchist, was accused of tossing the bomb. In the subsequent outburst of anti-anarchist hatred and hysteria, seven other anarchists were arrested and subjected to a sham trial that resulted in the hanging of four of them. (Parsons escaped this fate by committing suicide in his cell.) The other three were given lengthy imprisonments. The extent to which justice was satirized is shown by the fact that one of the three, Oscar Neebe, was not even present at the street meeting and had no part in its planning; he was arrested solely for being on the premises of the *Alarm*, A. R. Parsons' paper, when it was raided.

The catalyst for this split between the Boston and Chicago anarchists was the issue of force. The Boston anarchists (so named by Burnette Haskell's San Francisco *Truth*, although most of them did not live in Boston) considered force to be the last resort of a civilized man, even when it was morally justified. This position was best exemplified by Benjamin R. Tucker, editor and publisher of the individualist-anarchist journal, *Liberty*. The Chicago anarchists were basically communist and had a history of advocating force as a means of societal change. They were best exemplified by Dyer D. Lum, a compatriot of the condemned men, who assumed the editorship of the *Alarm* after A. R. Parsons's imprisonment and suicide.

Although Tucker was far from a pacifist, he was outraged by the Chicago anarchists' promotion of force. The editors of the Chicago *Arbeiter Zeitung*, for example, were said to keep sticks of dynamite on hand solely to impress outside reporters with the true meaning of anarchism. Theoretically stated, the issue was: at what point, if any, does force become a valid means of expression, or resistance? Both factions acknowledged the morality of direct defensive force, for, as Tucker stated in *Liberty* of May 22, 1886: "The Right to

(Continued On Page 3)

Ethnic Politics —

(Continued From Page 1)

at the thin political pickings that always have been accorded to their ethnic group. Liberal Jews were not there to save him, because they do not register Republican; and the Rockefeller machine is no more. And so, in the most stunning upset of 1980, in an overall light turnout, Alfonse D'Amato trounced Senator Javits, carrying every borough in New York City except Manhattan.

The Democratic primary was equally fascinating, and equally dominated by ethnic considerations. The two leading candidates embodied two generations of Jews. There was Bess Myerson, only a few years younger than Bella, but a woman of the 1940s and 50s rather than 30s. Bess represented the upwardly mobile Jews of post-World War II, the Jews who made it in business, industry, and the arts. That Bess was the first and last Jewish Miss America — that she was able to crack at least for a while that great citadel of wholesome heartland WASPdom — all this meant an enormous amount to this generation of Jews.

Bess is also representative of her generation in that she is basically non-ideological; her entire campaign rested on her personality, on her looks and charm, on her *persona*, on the fact that she has Made It. Her political ideas were almost non-existent. Except on two related points: one, an increasing hawkishness that led her to be one of the founders of the Committee on the Present Danger, and a corollary intense devotion to the interests of the State of Israel. As Miss Neo-Conservative, Bess was enthusiastically endorsed by Mayor Koch and Senator Moynihan. She also acquired the formidable media talents of the supposedly unbeatable David Garth. And she waged a highly expensive TV campaign.

Her leading opponent was the Representative Elizabeth Holtzman of Brooklyn. If Bess Myerson embodies the Jewish generation of the 40s and 50s, Liz Holtzman represents the activist, antiwar generation of the 1960s. Tough, unsmiling, dour, Miss Holtzman is hardly anyone's image of a jovial politico. But she won her spurs on television as the sharpest opponent of Nixon on the House impeachment committee, and she has been popular in her

Brooklyn Congressional district, thereby overcoming the rightward shift of many Brooklyn Jews in recent years.

Miss Holtzman is one of the most antiwar members of Congress, a theme which Myerson chose to hammer away at day after day; for if Miss Holtzman consistently refuses to vote for increased military budgets, how will the United States be able to rush to the defense of beloved Israel in any conceivable emergency? Fortunately, New York Jewish voters proved able to rise above this patent demagoguery.

What about the two others in the race? They had no chance from the beginning. One was former Mayor John Lindsay, whom I suppose many non-New Yorkers thought had a good chance to win. The handsome Lindsay ended his term in office universally hated by all New Yorkers (with the exception of blacks) regardless of ethnicity, creed, or occupation; by the end, Lindsay could not have been elected to the proverbial post of dogcatcher. He therefore had only two constituencies for this primary: blacks, who don't vote; and upstate WASPS, almost none of whom are Democrats. Upstate WASP county chairmen came out for Lindsay, but in the Democratic party they don't amount to a hill of beans.

Queens District Attorney Joseph Santucci was a last-minute entrant into the campaign. On the surface, Santucci was the Democrat D'Amato, proclaiming himself the champion of middle-class conservatism. But there are few Italian Democrats, so Santucci never had a chance. More conspiratorial analysts charged that the Santucci race was a ploy of Queens Democratic leader Donald Manes, who supported Holtzman, in a sneaky effort to take conservative votes away from Myerson and elect the Congresswoman.

In any event, Elizabeth Holtzman surprised observers by the strength and depth of her victory; not only did she overcome the Myerson media blitz, but she carried every New York borough except Manhattan.

The election is still anyone's guess. Javits is still hanging in there, on the Liberal party line (the Liberals are a fading party of aging Jewish social democrat trade unionists); and it is possible that he and Holtzman will split the Jewish-and-liberal vote enough to allow victory for the obscure D'Amato. ‡

Boston Anarchists —

(Continued From Page 2)

resist oppression by violence is beyond doubt . . ." The dispute centered around his further statements: "In *Liberty's* view but one thing can justify its (force's) exercise on any large scale — namely the denial of free thought, free speech, and a free press." And: ". . . force settles nothing, and no question is ever settled until it is settled right."

In that same issue, Henry Appleton, writing under the pseudonym of 'X', stirred up the waters by saying: "One of these days Communism will be weeded out of Anarchism, and then thinking people will begin to recognize that the Boston anarchists are the only school of modern sociologists who are in the line of true peace, progress, and good order."

It is more difficult to directly quote the Chicago anarchists. The *Alarm*, the *Budoucnost*, the *Vorbote*, and the *Arbeiter Zeitung*, major voices of Communist-anarchism published in Chicago, were suppressed and their editors were imprisoned as Haymarket conspirators. The most direct response was from Dyer D. Lum, who championed their cause. In the next issue of *Liberty*, he wrote: "The question is not . . . whether 'The Boston anarchists are ready to denounce the savage Communists of Chicago,' as 'X' puts it, but whether they are ready to calmly philosophize and leave these men to their fate."

This, of course, was the common charge — that the Boston faction were "philosophical anarchists." They discussed their beliefs while others fought for them. This accusation was absurd on several levels. It completely ignored the history and the pugnacious nature of Benjamin Tucker, who once risked jail by publishing Walt Whitman's suppressed *Leaves of Grass*. It ignored *Liberty's*

clear, bitter denunciation of the injustice with which the Haymarket martyrs were handled. Moreover, it was a far too convenient way to avoid Tucker's clear, cogent criticisms: "The Chicago Communists have chosen the violent course, and the result is to be foreseen. Their predicament is due to a resort to methods that Liberty emphatically disapproves . . . Liberty cannot work with them or devote much energy to their defense. If this be "time-serving cowardness," so be it. Mr. Lum must make the most of it. But he should remember that this is not a question of faith without works. *It is a question of difference of faith.*"

Victor Yarros, in his article "The 'Philosophical Anarchists'," hastened to agree but changed the emphasis: ". . . the Anarchist should make it clear to the oppressor that he knows how to discriminate between a bitter foe, to whom no mercy is to be shown and no quarter given, and a friend, whom we do not cease to love and honor despite severe reproof and censure we may be compelled to pass upon his hasty and irrational actions." The oppressor, of course, was the police system that imprisoned the Haymarket eight and the judicial system that condemned them. The oppressor was the state.

Tucker shared this view and was not without admiration for these men who were willing to die for beliefs so similar to his own. In response to Yarros, he said: ". . . the Chicago Communists I look upon as brave and earnest men and women. That does not prevent them from being . . . mistaken."

To many in the radical community, the Haymarket martyrs became saints and a rallying point. Benjamin Tucker's refusal to accept them as such or to excuse the violence they advocated made him an object of some scorn and suspicion. Nevertheless, he stood sternly by the conviction that force is the last of all possible means that a civilized man can employ. ‡

Is It Legal To Treat Sick Birds?

In October, 1978, Arnold Werschky, M.D., of Mill Valley, California, decided to have some fun with the state medical authorities. He wrote to the California Board of Medical Quality Assurance, asking if it were in any way illegal for him to prescribe medicine for someone to treat his sick birds. The birds might well have died before the Board sent its reply; for it took no less than ten months for the improbably named Foone Louie, Staff Counsel, to construct his reply. It is clear from Mr. Louie's response that the birds would have to die anyway, for the help they could legally get from Dr. Werschky. For, as one might have guessed, they were out of luck. Dr. Werschky's attempt at saving the birds would be illegal, Foone Louie sternly warned, on two counts: 1) it is unprofessional and illegal for any physician to prescribe or administer dangerous drugs without a "prior good faith examination" of the person? bird? in question. And secondly, how dare Dr. Werschky poach on the territory of the state's licensed veterinarians? But this priceless correspondence is reproduced below in full. — Ed. Note.

October 4, 1978

Board of Medical Quality Assurance
1430 Howe Avenue
Sacramento, California 95825
Gentlemen:

I have been asked to supply the following medicines: Garamycin Injectable, Garamycin Ointment, Ampicillin Injectable, and Chloramphenicol Injectable, to a person for the intended purpose of caring for and treating his sick birds.

I am wondering, that, if I should supply such medicines and/or drugs, would I in fact be in violation of any law, regulation,

directive, desire or inclination. In as much as I am certain of the current law (s) or perhaps your interpretation of the law, I am requesting your direction.

Sincerely,

A. G. Werschky II, M.D.

August 9, 1979

A. G. Werschky II, M. D.
279 Miller Avenue
Mill Valley, California 94941

Dear Dr. Werschky:

You've been asked to supply certain drugs to a person for his sick birds. You want to know what laws, if any, might be violated if you did this.

I can think of two, offhand.

It's unprofessional conduct for a physician to prescribe, dispense or administer dangerous drugs without a prior good faith examination and medical indication therefor. (Section 2399.5, Business and Professions Code.) Drugs requiring a prescription are generally designated dangerous drugs. (B&P 4211) The fact your friend wants the drugs for sick birds is not a legitimate medical reason under B&P 2399.5.

On the other hand, it would probably be a technical violation of the state veterinary laws for an M.D. to be in the business of treating sick animals or birds — other than his own pets.

Sincerely,

FOONE LOUIE
Staff Counsel

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"Free-Market" Congressman In Action?

When Professor Dr. W. Phillip Gramm, an eloquent and hard-hitting champion of free-market economics, was elected to Congress from the 6th district of Texas, many people thought that Congressman "Phil" Gramm (as he was promptly renamed) would be a mighty force for liberty and the rollback of the State. But this seems to be the season for libertarian sellout, and Representative Gramm has been anything but. When Gramm managed to gut a powerful drive for railroad deregulation in order to subsidize Texas coal producers, a young Texas businessman, Austrian economist, and libertarian, Robert Bradley, Jr., took him to task. There followed the full reply of Congressman Gramm and the eloquent rebuttal of Rob Bradley. One of the most interesting aspects of Congressman Gramm's self-serving reply is that he is taking the now standard line of libertarian sellout: "I of course am for complete liberty, but . . ." The "but" in this case, as in most others, is that some people and some businesses might have to suffer in the short-run if liberty, or in this case total railroad deregulation is to be achieved. Those people living off the public trough, living off the taxpayers and consumers, are going to be temporarily discomfited. The question then is? Are we going to postpone getting liberty into the indefinite future so that these people can continue living parasitically in the style to which they have been accustomed? Or are we going to press on for the cause of liberty and prosperity regardless of inconveniences? Liberty is not always a rose garden — especially for the existing ruling class and those living off the State. The political temptation is to forget principles, and this is what Congressman Gramm has done, perhaps helping to scuttle railroad deregulation altogether. These are the eternal temptations of politics: to abandon principle for the politically expedient: that is, to continue the politicians own perks in office.

Ed. Note

Mr. Robert Lee Bradley, Jr.
1201 McDuffie, No. 150
Houston, Texas 77019

Dear Mr. Bradley:

Thank you for writing to let me know of your dissatisfaction with my vote in support of Congressman Eckhardt's amendment to the Rail Act of 1980.

As an economist who is firmly committed to competition and free trade, I can understand your view that Congressman Eckhardt's proposed amendment would be anti-competitive and would continue the federal over-regulation of the railroad industry that has crippled that industry. However, the Rail Act raises questions that are more complex than simply whether regulation is desirable or undesirable, a question about which you and I would have few disagreements.

The present condition of this nation's railroads results from market forces and government regulations that have their roots in the 1920's when mass production of automobiles first began to threaten the railroads' domination of transportation in this country. If we are to again have a vital rail industry, as I believe we must, Congress must act carefully to begin reintroducing competition in the railroad industry while preventing cold water shock treatments that could cause destructive market perturbations. In particular, the coal producers in Texas and neighboring states have become dependent of rail transportation provided at artificially low rates. Many of these producers have no options other than to ship coal on a single available rail line because competition exists neither from other rail lines nor from other modes of transportation. To give the railroads excessive freedom to raise rail rates to such "captive" shippers would create massive dislocations in the coal industry, dislocations that would reverberate throughout the economy of Texas and the economies of states that depend on Texas coal. I supported Congressman Eckhardt's amendment and I will support similar efforts that may be introduced when the House reconvenes July 21 because I believe these efforts provide constructive progress toward complete deregulation of the railroad industry while preventing short-term

problems that would benefit neither the railroads nor the shippers who depend on the railroads. I appreciate having the opportunity to represent you and other Texans in Congress. If I can be of service to you, please contact me.

Yours respectfully,
Phil Gramm
Member of Congress

Dr. Phillip Gramm
Congress of the United States
House of Representatives
Washington, D. C. 20515

Dear Dr. Gramm:

I thank you for the explanatory letter dated July 16. Your letter certainly had a better tone than mine, but I am very sensitive about economists-turned-politicians, i.e., those who know better, *selling out* the market in favor of personal goals. Perhaps you can avoid this criticism since the "Chicago School" brand of market economics, from the writings of its founder, Henry Simons, to its doyen, Milton Friedman, has stressed instances of "market failure" and government "correction" as you claim is the case concerning railroad deregulation. However, many economists of this persuasion — Harold Demsetz for one! — have in recent years abandoned this textbook view in favor of the unhampered market. Some of the cogent arguments that have changed their minds I will attempt to present below.

As I understand your position, you wish to avoid the "cold water shock treatments" of total deregulation of the railroads by retaining the Interstate Commerce Commission's power to regulate rail rates. This stance has your support since "coal producers in

(Continued On Page 5)

Bloated and Swollen

We are always glad to allocate credit (or blame) where due, and so we are happy to publish Mr. Riggensch's letter claiming responsibility for some of the peccadilloes of *Libertarian Review*. But we must reiterate that Roy Childs, as the proclaimed "The Editor", must take responsibility for the ultimate decisions that constitute the magazine. But Riggensch's letter raises an interesting point: Just how much time does "The Editor" spend on his cherished periodical? Is anyone minding the store at LR? Or is "The Editor" using his post as a sinecure from which to politic endlessly around the country, and to exercise his alleged talents as a demagogic rabble-rouser?

Editor Note.

Dear Editor:

As one of the "bloated and swollen" editors of *The Libertarian Review*, I must protest the shabby misrepresentation of me (or, rather, *non* representation of me) which appeared in your March-April issue. I not only conceive myself to be at least one-half of the libertarian movement (though there are those who argue that as only one of four editors at LR, I can at most conceive of myself as one-fourth of the movement); I am also so "puffed with hubris" that I resent seeing others receive credit for what were in fact my accomplishments. I was the LR editor who chose the famous pro-solar, anti-"Big Oil" cartoon by Mike Peters. I was the creator of the "childish ad in the classified section" which George Smith so sactimoniously informed your readers "typifies the intellectual level at which Roy Childs chooses to conduct this debate." I demand credit for my own hard won childishness and intellectual insignificance! They are, after all, my bread and butter. Let Roy Childs be content with receiving proper credit for his own "dishonest," "irresponsible," "harebrained," and "unfair" work. He doesn't need credit for mine as well.

Jeff Riggensch
Executive Editor
The Libertarian Review

Congressman — (Continued From Page 4)

Texas and neighboring states have become dependent on rail transportation provided at artificially low rates" as have the electric utilities and their consumers, and to allow a location monopolist rate freedom would "create massive dislocations" for both the producers and ultimate consumers of the coal. Further, I have learned from a recent *Houston Post* article that you, along with fellow Representative Jim Wright, are proposing government loan guarantees for a new railroad to operate in the Powder River Basin to "increase" competition.²

Before I embark on a critique of the regulation you support, I ask how you can boast of "constructive progress toward complete deregulation" when the basic business decision of rate setting is left in the hands of bureaucrats? According to the *Post* article cited above, proponents of deregulation see your amendment as so restrictive that the entire deregulation bill will have to be "gutted". And certainly, if you wish to launch a "private" railroad with government subsidy, the entire industry will that much more be in the hands of the State.

A number of eminent free market economists have brought forth an impressive case against government regulation of "natural monopolies" which I bring to your attention.

First of all, there exists no scientific procedure of discovering what the "right" price should be. Or in Kirzner's words: "... what is the likelihood that government officials, with the best of intentions, will know what imposed prices, say, might evoke the 'correct' desired actions by market participants?"³ After all what is "right" for the railroad company, given its costs, capital requirements and risk, may not be "right" for the producers and consumers of the coal. For, conceding the subjective nature of value, only the market process can balance — in a non-haphazard manner — the forces of supply and demand. Summarizes Mises:

Prices are a market phenomenon. They are generated by the market process and are the pith of the market economy. There is no such thing as prices outside of the market. Prices cannot be constructed synthetically, as it were. They are the resultant of a certain constellation of market data, of actions and reactions of the members of a market society.⁴

Therefore, if the "right" price cannot be found, then the decided upon price from a market standpoint is either too high — thus punishing the consumers and producers of coal — or too low — thus undermining the capital requirements of the railroad. In the latter case, this could mean higher future railroad rates from capital disrepair.

Computing an "average rate of return" for the railroad to add to its cost is not an escape in this regard. There is nothing normal about the disequilibrium phenomenon of profits and nothing homogeneous about returns industry to industry and firm to firm within industries. And the cost side of the "cost plus" equation is not objective but subjective as James Buchanan has recently taught the profession, further muddling the government allowable price calculation.⁵

But let us step back and realize that Godlike creatures and value-free econometricians are not in charge of such price determination, as if they could find the "best" price in the situation. The forces at work are bureaucrats and special interest lobbyists — persons having judgment-distorting elements such as personal biases, emotional tendencies, political favoritism, career biases and corruption avenues. And certainly the entire lobbying and testimonial effort is a cost for all parties involved, parties who believe they can costlessly cheapen the market price of railroad services.

So, in all, not only do we see that scientifically a bureaucracy cannot find the "right" price, but that the worst forces will be at work to decide such a price. So much for the textbook correction of market "failure", in spite of the history of bureaucratic and ICC pricing.

Another line of argument against your position has been

receiving wide attention in recent years, specifically since Kirzner's 1975 *Competition and Entrepreneurship*. His argument demonstrates the fundamental weakness of equilibrium neo-classical theory in judging market "failure" or "imperfection" — from which your textbook reasoning is derived. The argument is that the government regulation of prices retards the consumer benefits that in the absence of such regulation would accrue from uninhibited entrepreneurship. (In equilibrium, of course, the entrepreneur does not exist.) This is true since, as Kirzner puts it, "nothing in the course of the regulatory process suggests a tendency for as yet unperceived opportunities of resource allocation improvement to be discovered."⁶ To be more specific, in any "cost plus" regulatory environment, entrepreneurial alertness to new methods to minimize costs and service innovations to maximize revenue is stifled though, of course, not entirely eliminated as under socialism. This is very much a cost for the coal parties that economists cannot ignore.

The third line of argument is one you have undoubtedly taught many times in your academic career: the problem of non-market pricing on resource allocation in general. The "artificially low price" you admit exists creates an overutilization of coal and underutilization of coal and transportation substitutes (such as nuclear power and pipeline fuels). These are further costs of your regulatory stand.

In all, the above drawbacks of regulation counter the supposed "massive relocations" of deregulation. In sum, they offer a supportable case for the free market unless (1) an economist rests his case on the first approximations of equilibrium theory to the exclusion of the real world of disequilibrium and bureaucratic realities or (2) a politician rests his case on the special interests of his district. But utilitarian arguments pro and con aside, are you, Dr. Gramm, a true lover of liberty? Do you support the market only when you are convinced it will produce "umpteen more bathtubs", as Murray Rothbard puts it?

To end this open letter, unless you can convince me that:

- (1) bureaucratic pricing is "costless" and a better alternative to market pricing;
- (2) entrepreneurship — particularly in the cost minimization sense — is not inhibited by price regulation;
- (3) resource allocation is satisfactory with an "artificially low" price;
- (4) ultimate deregulation, your alleged goal, is helped by continued regulation; and
- (5) the market and individual freedom to exchange on non-coercive terms are not to be valued for their own sake; then

I — and all true free market economists and libertarians, many of whom will read this letter — call on you to renounce your claim as "an economist who is firmly committed to competition and free trade". Having repudiated this noble claim, you, I am sure, will continue to do fine in the political arena. However, future historians will remember you as not only destroying legislation that would have been a rare victory for the market in this day and age, but as one of the many who destroyed the market economy in the twentieth century. Revise your stand immediately and use your influence to tilt the close vote toward passage! The legislature, after all, is still in session. And please, write me such a letter if I were to ever put politics and personal gain over liberty!

Sincerely yours,
Rob Bradley, Jr.
Footnotes

1) For example, see his "Why Regulate Utilities?" in Yale Brozen, ed., *The Competitive Economy* (Morristown, J. J. General Learning Press, 1975) for sophisticated arguments explaining competition with so-called location monopoly instances.

2) "House's OK of rail decontrol amendment may spell end of measure for this session", *The Houston Post*, July 25, 1980, 1-A.

3) Kirzner, "The Perils of Regulation: A Market-Process Approach", Law and Economics Center Occasional Paper, The University of Miami (1978), p. 15.

4) Mises, *Human Action* (New Haven: Yale University Press, 1949), p. 395.

5) See Buchanan's *Cost and Choice* (Chicago: Markham, 1969).

6) Kirzner, *op. cit.*, p. 16. †

Isolationism Reconsidered

by Barry D. Riccio

NOT TO THE SWIFT, Justus Doenecke, Bucknell University Press, 1980, 289 pages, \$8.95

For libertarians and pacifists alike, 1980 will prove to be a rather depressing year. No more so, perhaps, than any other election year, but nonetheless there is a special reason for despair this autumn. We are told repeatedly by both major-party candidates that the choice is real and the ideological contrast stark. Yet, really, is there all that much difference between the Scylla of Mr. Reagan's Pentagon capitalism (to borrow Seymour Melman's term) and the Charybdis of President Carter's guns-and-butter liberalism? To be sure, Mr. Carter and his cohorts are not as strident in their rhetoric as are the Reaganite reactionaries, but there is now palpable evidence that at least in some matters (e.g., the grain embargo, the Olympic boycott, and draft registration) the President has attempted to out-Reagan Reagan, and has done a rather successful job of it, to boot. And the Republicans? With that former denizen of Hollywood at their helm, they proffer us the laudable objective of slashing our taxes at home along with drastically increasing our commitments abroad. At one and the same time they deliver pious bromides on the virtues of a balanced budget. One need not be schooled in the nuances of formal logic to perceive a glaring contradiction gnawing at the heart of Republican Party policy, and more significantly, conservative ideology in general. Murray Rothbard put it well in the pages of *Inquiry* not so long ago:

How can we reconcile the plea for individual liberty, the free market, and the minimizing of government with the call for global confrontation and increased power to the FBI and the Pentagon? How can an economy be free of government control when an ever greater share is to be deflected to military use? How can a free market be reconciled with an aggrandized military-industrial complex?

There are many of my generation who would indeed be surprised (nay, shocked) to learn that there once was a sizeable number of conservatives (and especially Republicans) who not only recognized the contradictions pointed out above but also did much to oppose the militaristic tendencies of *both* parties. In criticizing the aggressive foreign policy adventurism of the Truman Administration, these conservative gadflies often dissented from what many revisionist historians have dubbed "the Cold War consensus". (This consensus stretched so widely that it could later include a Barry Goldwater on its right fringe and a Norman Thomas on its left fringe.) To be sure, a good many of the critics of the early Cold War were leftists and socialists, but the non-interventionism of the right wing had recent history on its side. After all, the vast majority of those who opposed U.S. entry into the Second World War were of the right. In part their opposition to that war stemmed from their intense dislike for "That Man", alias Franklin Delano Roosevelt, a politician about whom we've been hearing quite a bit lately (from Democrats, Republicans, and partisans of National Unity alike). But it would be unfair to these gentlemen of the right to indulge in such simplistic monocausationism. For their hostility towards Roosevelt was both part and parcel of their hostility towards Big Government in general. And today's Governor Reagan notwithstanding, these men realized that Washington could be the biggest beneficiary of a bellicose foreign policy.

It is the story of these men that is told in Justus Doenecke's *Not to the Swift*. Close students of American pacifism and non-interventionism probably are familiar with Doenecke's extended bibliographical essay, *The Literature of Isolationsim*. His most recent work is marked by that same judiciousness of temperament that has so distinguished all his earlier writings. Thoroughly

researched, carefully organized, and extremely well-written, Dr. Doenecke's book is a treat to read. Where else could one learn that Frank Lloyd Wright and Sinclair Lewis were non-interventionists in 1940 (save, perhaps, in biographies of those individuals) and that young Gerald Ford contributed to the coffers of the America First Committee? True, all students of isolationism have benefited greatly from Wayne Cole's *America First*, but Doenecke provides us with an exhaustive treatment of these selfsame isolationists discussed in Cole's work (and then some) throughout the entire early Cold War period. By no means, however, can *Not to the Swift* be labeled a sequel, for Doenecke does not confine himself to any one organization. His is an account of "the isolationist impulse" (to use a term coined in Selig Adler's book of the same name, a rather snide and sneering account of our isolationist heritage). However, Doenecke casts a wider net than did revisionist Ronald Radosh in the truly pathbreaking *Prophets on the Right*.

Doenecke eschews any narrowly reductionist approach to his subject. Thus he finds fault with all of the single-factor hypotheses which have been invoked to explain (and oftentimes explain away) the roots of isolationism. Certainly, Doenecke admits, there was an ethnic dimension to American isolationism. This dimension found expression to some extent in both Oswald Garrison Villard and Henry Regnery (both of whom were either German-educated or virtually Germanophile) and to a much greater extent in Senator William Langer, who represented a largely German (and rural) constituency. But, avers Doenecke, in an implicit rebuttal to Sam Lubell's *The Future of American Politics*, an exclusively ethnic interpretation of isolationism will hardly suffice, as the overwhelming majority of isolationists were WASPS. Emphasis upon the geographical sources of American isolationsim has also been misleading, Doenecke contends. While in large part accepting Reinhold Niebuhr's dichotomy of the eastern internationalist financier and the midwestern isolationist manufacturer (the latter of whom was not nearly as dependent upon experts as the former), Doenecke points out that the Mississippi Valley had at the turn of the century been as congenial to expansionism as it later was to non-intervention. So much for geographical determinism.

What about economics? Surely there must have been some relationship between one's economic status and his stance on foreign policy issues, as hinted at by the Niebuhr example above. There damn well was, according to Doenecke, and in this connection cites the support given the Marshall Plan by both the Chamber of Commerce and the National Association of Manufacturers. But the economic aspect of isolationism (not unlike its geographical aspect) was closely intertwined with yet another, namely the rural-urban divisions in American society. As a rule, right-wing isolationists were far more suspicious of the city than were either conservative or liberal interventionists. Regarding this there is that unforgettable quote from Louis Taber, a man who was at once a luminary of America First and a National Grange master. Taber defined cities as places "where there were slums and dirt, and noise, and filth and corruption and saloons and prostitutes". Yet another "explanation" of isolationism (popular during World War II) pointed primarily to anti-Semitism and xenophobia. Both of these found expression in Representatives Clare Hoffman and John Rankin, but, as Doenecke takes pains to point out, these men were a minority within a minority.

What makes Doenecke's interpretation a refreshing one is the author's ability to take ideas and attitudes seriously and on their own terms, rather than as reflexes of, say, class, race, or ethnicity. For Doenecke American isolationism was first and foremost an ideology, and an ideology deeply embedded in the American

(Continued On Page 7)

Isolation Reconsidered —

(Continued From Page 6)

experience. Puritan theology, the American wilderness and physical separation from the Old World all conjoined to make American isolationism what it was — a distinctive blend of moralism, nationalism, and individualism. This was also an ideology that had roots in the writings of the eighteenth-century Commonwealth men and the American War for Independence. And it was an ideology that slowly began crumbling under severe social, economic, and international stresses with the advent of what Henry Luce once labeled the American century. According to most commentators, its swan song was sung with the defeat of the Bricker Amendment in the mid-1950's.

Yet "a funny thing happened on the way to" Indochina a decade later. It was now becoming acceptable, almost fashionable, in fact, in certain left-liberal circles to sound like an isolationist even if one would never apply that opprobrious term to oneself. Of course, to mainstream Republicans who had long ago repudiated the "provincial" wing of their party (Richard Nixon, for example) the word "isolationism" was still an epithet. Now, though, the politics of our foreign policy had come full circle. During the Nixon Administration conservatives found themselves not only supporting an imperial presidency (long an object of their) but also a futile, costly, and vicious war in Southeast Asia. At the same time many liberals began heeding the admonitions of the Taft conservatives of a generation earlier. Dr. Doenecke puts us in his service by documenting the close affinities between what the isolationists of yesteryear were saying and what the neo-isolationists of my generation have been articulating. Not only did the "old" or "veteran" isolationists warn of the dangers of a bloated bureaucracy and profligate government spending; they also waged a veritable verbal holy war on imperialism. Senator Taft did not hesitate to attack the foreign policy of the Truman Administration as "imperialistic", while the *Chicago Tribune* waxed eloquent in its fierce denunciations of both British and French colonialism. The Chicago industrial mungate Sterling Morton went so far as to compare Vietminh nationalists to the American revolutionaries. One of the most stalwart of the old isolationists actually perceived the Truman Doctrine as an example of "petro-diplomacy" and even had some words of sympathy for the Communist-supported Greek rebels. This same individual, Senator Edwin Johnson of Colorado, accused the United States government of adhering to a double standard. How, Johnson asked, could our government defend its own right to control Panama on the one hand, and, on the other hand, deny the Soviets the right to control the Dardanelles? Not only were the isolationists of the early Cold War era harbingers of the neo-isolationist critique of the sixties and seventies; certain aspects of their own critique of U.S. foreign policy were not all that far removed from those of George Kennan and Walter Lippmann.

The above examples go a long way toward suggesting that many of the isolationists were by no means head-in-the-sand ostriches, completely ignorant of foreign affairs and insensitive to the plight of other nations. (Their fervent indictment of our government's "rape" of Germany bears out this point even further.) And at least a few of the old isolationists (Felix Morley and Edwin Borah, to name the most eminent) had been quite active in internationalist endeavors prior to World War II. It is a rather sad commentary on political semantics, though, that it should be that former isolationist-turned interventionist Arthur Vandenberg who comes real and—or was in large part a function of which party was in

Not to Professor Doenecke's mind, however. To many a superannuated isolationist, I am sure, Doenecke's description of Vandenberg alone is worth the price of this book. For the Sarasota academician paints an acid-etched portrait of the Michigan Senator as an opportunist par excellence, with one eye out for the Polish vote and another eye out for the Detroit auto manufacturers. In the eyes of many a Vandenberg foe, the Senator was so vain that "he could strut sitting down". Doenecke also repeats the rumor of non-candidate Vandenberg carrying an acceptance speech in his pocket

during the 1948 Presidential Convention. The upshot of Doenecke's discussion of Vandenberg, however, is not to cast aspersions on the Senator's character. Rather, it is to demonstrate that throughout his career and on a myriad of issues, ranging from Yalta to NATO to intervention in Asia, Senator Vandenberg concealed a neo-nationalist fist behind his internationalist glove. In fact, Doenecke asseverates, "internationalism" more often than not was simply a smokescreen for unilateral military action overseas.

Ironies abound in this masterful magnum opus. Who would have imagined that the conservative industrialist Robert R. Young and the ultra-rightist broadcaster Upton Close actually anticipated the "Alperovitz thesis" of atomic diplomacy? Or that Frank Hanighen of *Human Events* forecasted the Sino-Soviet split? Or that crusty old Robert McCormick of the *Chicago Tribune* was an inveterate critic of Open Door diplomacy long before William Appleman Williams even attained maturity? Perhaps the most delicious irony of all, however, is the case of Lawrence Dennis. Dennis was a self-proclaimed "fascist" who proved to be the most consistent (and persistent) critic of Cold War militarism. In fact, the anti-war utterances of a Fulbright or a Church in the late sixties pale in comparison to those of Dennis.

Is that so astonishing, though? In the wake of the Iranian crisis, the invasion of Afghanistan, and the phantom Soviet brigade in Cuba, many if not most congressional liberals have demonstrated their commitment to the cause of non-interventionism to be lukewarm at best. And who could expect otherwise? As Doenecke makes clear in a number of passages throughout his book, it is the liberals who must bear a major responsibility for not only the debacle in Vietnam but also for the thrust of our entire Cold War policy. Concurring with the judgments of historian Stephen Ambrose, Doenecke declares unequivocally that the Cold War was, for the most part, the liberals' war. True, most conservatives were far from innocent bystanders or reluctant participants, but it was the liberals who seized the initiative and defined the terms. And what of the much vaunted American liberal devotion to tolerance? As Doenecke's account reveals, any number could play the baneful game of red-baiting. The *New Republic* went so far as to speak seriously of "the Stalinist caucus in the Tribune tower (that) would bring out in triumph the first Communist edition of the *Chicago Tribune*". Senator Robert Taft was repeatedly accused of being an "appeaser" of the Soviets, as were other even more intransigent isolationists. And so on, and so on. Whether the onus for this state of affairs should be placed on liberalism as ideology as well as on liberalism in practice is to many a problematic issue. To the more radical critics of U.S. foreign policy, however, to refuse to condemn the philosophy while indicting the public policy is merely Hamlet without the prince of Denmark.

In all fairness, though, liberalism cannot and should not be made the scapegoat for our foreign policy sins. Doenecke not only realizes this but does justice to the complexity of his subject by refusing to engage in special pleading, "One can no more responsibly isolate elements in the isolationist world view," he states, "pulling out the favorable and dismissing the rest, than one can selectively clip a person's thought in the middle of a sentence." It is to Doenecke's credit that he recognizes the old isolationists were often weak in their insights, unsound in their judgments, and inconsistent in their proclamations.

In fact, on the basis of the evidence supplied in Doenecke's book alone, one could make a plausible case that American isolationism bore within itself the seeds of its own destruction. To be sure, we cannot ignore (and Doenecke emphatically does not) the importance of exogenous factors behind the waning of isolationism. For one, the advent of increasing industrialization and urbanization served to erode that ideology's largely rural base. For another, there was the simple matter of attrition. Death, illness, and defeat at the polls robbed the isolationists of many of their more preeminent spokesmen. There is also the interpretation put forward by Eric Goldman in *The Crucial Decade: 1949* was indeed a "year of shocks", what with the explosion of an atom

(Continued On Page 8)

Isolation Reconsidered —

(Continued From Page 7)

bomb in Russia, the coming to power of Mao Tse-Tung in mainland China, and the Alger Hiss trial. Under drastically altered circumstances it is hardly surprising that many a World War II isolationist gradually began marching to the tune of a different drummer. And one cannot neglect the impact that the liberals' smear campaign against the isolationists during World War II must have had. Should we be surprised, then, that right-wing isolationists of the Cold War era became increasingly strident in tone, bitter in spirit, and intolerant in action? Of course all of this rendered them even more ineffective.

Yet we romanticize these "prophets on the right" at our own peril. For we simply cannot afford to overlook the sundry flies in the isolationist ointment. There is first of all the question of sincerity, a problem before which the courageous Doenecke does not flinch. For some isolationists (e.g. Congressman George Bender) devotion to non-interventionism was more rhetorical than real and—or was in large part a function of which party was in power. Thus the force behind much of the isolationist impulse was greatly attenuated by the election of Dwight Eisenhower, a Republican and an impeccable conservative, although by no means an isolationist. Doenecke also questions just how genuine many of the isolationists were in their praise of the Atlantic Charter and the United Nations. After blasting the U.N. for its alleged cynicism, several isolationists actually went so far as to suggest that the powers of the General Assembly be strengthened when such a suggestion proved to be to their political advantage.

And then there is the issue of nationalism. If the isolationists occasionally could sound as libertarian as Thoreau, at other times they could sing the praises of the military ethic as lyrically as could any four-star general. In fact, many isolationists themselves had military backgrounds. The careers of both General Wood of *Sears Roebuck* and Colonel McCormick of the *Tribune* offered cold comfort indeed to a real pacifist. And the response of most isolationists to Hiroshima and Nagasaki was, at least as far as the moral issue goes, a rather cavalier one. That many of them could rally as readily as they did behind the banner of the perniciously pompous General Douglas MacArthur is yet another index of how much they had mired themselves in the muck of militarism. There is irony here too, for the General was far from an isolationist, both during and after World War II. Nor was Senator Joseph McCarthy much of an isolationist either, however, that hardly precluded most isolationists from enlisting in his service. For McCarthy was a nationalist, albeit of a rather crude sort, and his opponents had long been the opponents of isolationism. The isolationists' logic was similar to that of the conservative

commentator Morrie Ryskind who, during the Watergate affair, argued tirelessly that all true believers in conservatism should defend the President because his detractors were invariably of the liberal persuasion. Moreover, a good many isolationists perceived McCarthyism as a cheaper and more viable way of combatting Communism than intervention overseas; by concentrating on the "red menace" at home, the American government could be far more effective than if it pursued "pinkos" in distant lands.

Ah, yes, distant lands. Many a scholar would argue that it was precisely the isolationists' devotion to a distant land that did them in. It is not a far-fetched claim to say that "Asialationism" was the Achilles heel of American isolationism. Somehow, and in some way, all of the trenchant arguments that the isolationists had advanced against intervention in Europe were conveniently forgotten when the subject of China and Taiwan (and to a lesser extent, South Korea) came up. As Doenecke points out, virtually all of their telling criticisms of the Truman Doctrine applied even more so to the case of Asia. Yet it was the Asialationists who became exponents of the domino theory long before it became fashionable in the circle of the best and the brightest. (The erstwhile isolationist William Henry Chamberlin went so far as to propose a Marshall Plan for Asia to check Communist aggression.) At times it was difficult to tell which was the more isolationist, the Truman Administration or its isolationist critics. After all, it was the latter group which, along with General MacArthur, wished to broaden the Korean conflict. Logic, though, was not the forte of the Asialationists. (Hubert Humphrey facetiously proposed that Senator Taft be given a "doctor of laws in inconsistency" for his stance on Asia.) Those isolationists who took a "tough" position on Asian questions could not see that their own charge of inconsistency leveled at the Truman Administration might well prove to be a double-edged sword. For the price they might have to pay for increased commitment to, say, China, could well be even greater intervention in Europe. The China Lobby realized this, even if our isolationist friends did not.

It is an ambiguous legacy, then, that American isolationism has bequeathed to us. On the one hand, we can only benefit from its astute criticisms of the abuses of power and the follies of foreign aid. On the other hand, there were certain glaring deficiencies in the isolationist ideology that cannot be wished away. And it is the least lovely aspects of that heritage that are coming to the fore as American political conservatives launch their way into the eighties. With historian Manfred Jonas, Doenecke notes that a belief in unilateral military action has been a persistent thread running throughout America's right wing. In the past, though, we could be consoled that this nationalistic strain of American conservatism would be tempered by at least a modicum of libertarianism and pacifism. Today, alas, we can have no such consolation. ‡

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