

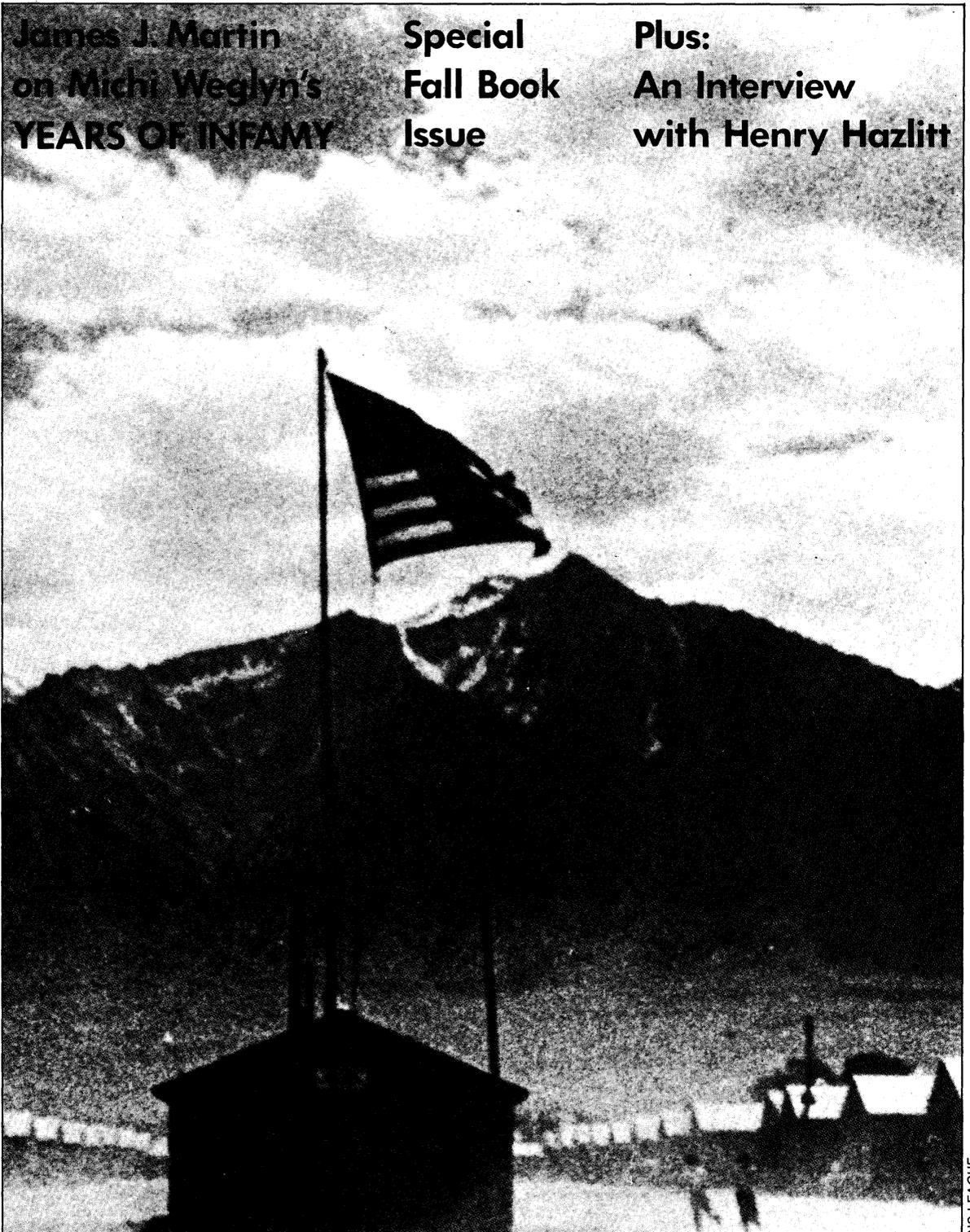
**LIBERTARIAN  
REVIEW**  
November 1978  
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on Michi Weglyn's  
**YEARS OF INFAMY**

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# LIBERTARIAN



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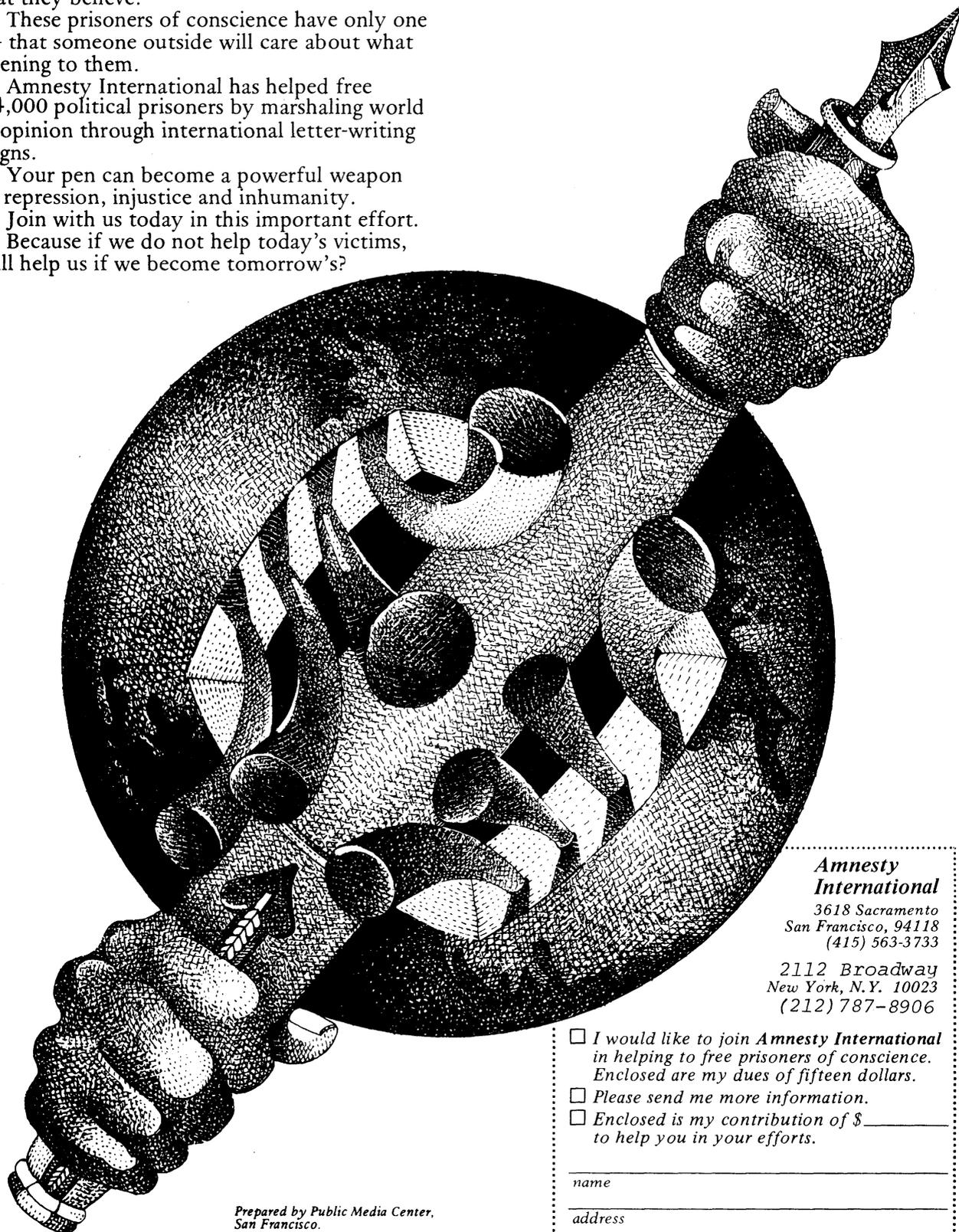
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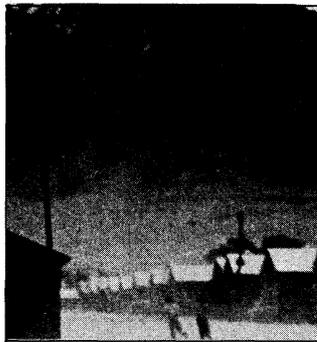
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## **Prison Camps of the Propa- ganda Machine**

by *James J. Martin*

Most Americans believe the only World War II concentration camps were operated by the Germans and the Russians. They have much to learn from historian Martin's brief overview of the U.S. experience in running such camps.

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# THE LIBERTARIAN EDITORIALS

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## Radio free america

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EVERY RADIO station in the United States is now required by the Federal Communications Commission to devote a certain percentage of its broadcast week to what is known as public affairs programming—programs which provide information, analysis and commentary on important public issues. It is usually assumed that most radio stations would prefer not to bother with public affairs programs, and wouldn't carry them at all if they weren't forced to by the government. Many stations certainly give that im-

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pression, by scheduling the public affairs programs they do run at the times when they're least likely to be heard by anyone—at two or three o'clock in the morning, for example. For all practical purposes, these stations *aren't* carrying any public affairs programming. They're living up to the letter, but not the spirit of the law.

And now Congressman Lionel Van Deerlin of Southern California has proposed to remedy that situation by changing the spirit of the law. His bill, the Communications Act of 1978, would absolve radio stations of any responsibility to program anything they didn't want to program. If a station wanted to program nothing but music and commercial announcements 24 hours a day, with no news, no sports, no public affairs—that'd be fine. A candidate for public office could no longer demand equal time from a station which had endorsed his opponent. The "public" could no longer challenge the license of a radio station on the grounds that its programming wasn't in "the public interest." It wouldn't have to be in the public interest, only in the interest of the station owner and the audience he was trying to reach.

Already the Communi-

cations Act of 1978 has stirred up a hornet's nest of controversy. The bill's opponents call it a "sellout" and a "giveaway", and predict a desolate future in which Americans may no longer count upon their favorite radio stations to inform them about current events in the wee hours of the morning. But such objections are naive and silly in the extreme. Radio stations would run public affairs programs even if they weren't required to run them, for the simple reason that there's a demand for such programs, just as there's a demand for music. Every major city in this country has at least one radio station which programs nothing but public affairs 24 hours a day. Such stations are usually called "talk stations" or "all news stations". And in every city in which they're operating, they're also collecting the lion's share of the audience.

Even among music stations, whose listeners do seem to prefer entertainment to information, there's a steady demand for a certain kind of public affairs programming. Several hundred music stations actually pay for the privilege of running certain public affairs programs rather than others, although it's easy enough to fulfill the federal requirement by using nothing but programs

which are available free of charge.

The Communications Act of 1978 contains a number of other provisions, not all of them desirable. Broadcast journalist Leslee J. Newman examines them in detail, and puts them into historical perspective, in her article on the new Communications Act, beginning on page 25. But hopefully those other provisions will have disappeared from the bill when it's reintroduced in Congress early next year. The provision which needs to be kept alive and given the force of law is the one which safeguards, for the first time in American history, both the liberty of the broadcaster to run his own business and the liberty of the radio listener to hear what he wants to hear, not what the government thinks he should want to hear.

—JR

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## The assimilation of pot

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IN THE FEW SHORT years since the wild and woolly sixties, when the youth drug culture first burst upon the national consciousness, marijuana has become an important component in American commerce and culture. To consider the commerce first, the marijuana crop of the South American nation of Colombia, most of which is sold in the United States, is now worth more in trade dollars than that same nation's coffee crop. It's further estimated that the marijuana grown commercially in northern California brings more money into that region than even the lumber business. And the island nation of Jamaica is now

considering decriminalization of the weed as a means of propping up its economy and improving its balance of trade with the United States.

But grass has also become a popularly accepted part of the culture in America. The Oriental-Chicano comedy team of Cheech and Chong have recently released a film called "Up in Smoke", which blithely takes it for granted that millions of Americans smoke marijuana regularly. A New York psychotherapist, Dr. David Izenzon, has founded an organization modelled on Alcoholics Anonymous called Pot-smokers Anonymous. And all over the country, doctors and patients are rediscovering what was common knowledge a hundred years ago: that the leaves and flowering tops of the common hemp plant will not only get you high, but will also kill your pain and alleviate your nausea. One 28 year old man in Washington state has actually succeeded in forcing the government to supply him with marijuana to fight the pain of glaucoma.

And perhaps the most unmistakable sign of all that pot has become nearly as acceptable in American society as tobacco is the passage in San Francisco early this month of a citywide referendum issue called Proposition W. Proposition W was a statement of policy from the voters of San Francisco to the elected officials and police of the city. It read:

"We the people of San Francisco demand that the District Attorney, along with the Chief of Police, cease the arrest and prosecution of individuals involved in the cultivation, transfer or possession of marijuana."

Longtime libertarian activist Eric Garris was the founder and chairman of

the Yes on W Committee, and an indefatigable worker for the campaign. Numerous other Bay Area libertarians and the San Francisco Libertarian Party also participated actively in the election effort. And when the ballots were counted,

counteractivities to ensure that the spirit of the initiative does gain the force of law.

However the debacle in San Francisco is resolved, the very fact of the passage of the Marijuana Initiative only confirms what every-

believes the old lies about how the weed leads to homicide, incurable insanity and death. Yet the U.S. government continues to prohibit cultivation, possession and sale of marijuana. And it continues its attempt to kill Mexican marijuana fields by spraying them from the air with the deadly herbicide Paraquat, even though it's been conclusively shown that the result is the systematic poisoning of American citizens. Why?

Perhaps some light may be shed on the matter by Dr. Arthur McCain, a plant pathologist at the University of California at Berkeley. Dr. McCain has developed a fungus which he says kills marijuana plants but is harmless to other plants and to human beings. He has offered his discovery to the federal government, as a possible replacement for Paraquat, but has found that august body apparently uninterested in killing pot plants without also killing pot smokers. As Dr. McCain puts it, "My impression is that people in law enforcement are more interested in playing cops and robbers." Could it be?

—JR



Proposition W qualifies for the San Francisco ballot

the initiative had won by a margin of nearly 60%—40%.

The District Attorney and the Chief of Police of San Francisco have, predictably, announced that they're only following orders, they don't make the law, the place to change the law is in the state legislature in Sacramento, and anyway the people have no right to tell the police how to enforce the law. But the forces behind Proposition W, which include not only libertarians, but also elected officials of the city and county of San Francisco, are planning

thing else in the culture is suggesting so vigorously it's impossible to evade: marijuana has begun to become an integral part of American life. When it has become a bigger cash crop than coffee, sugar or redwood, when it has become the subject matter of popular comedies and self help groups, when it has begun to regain its old status as a folk medicine, then it seems safe to say that pot is accepted by American society.

Why, then, is it still unacceptable to the American government? Surely there is no one who still

## Clark: An LP Victory

AS *LR* GOES TO PRESS, the elections are over, the returns flooding in, and the numbers being tabulated. Next month *LR* will provide an in-depth look at the elections and what they mean. But surely the most fantastic result of the elections as far as *LR*'s readers are concerned should not go unsung until then. For as far as libertarians are concerned, the most surprising and welcome vote cast is undoubtedly that given Ed Clark, the Liber-

tarian Party candidate for Governor of California.

Facing an uphill battle against two well-financed establishment politicians who claimed the media's attention day after day—Republican Evelle Younger and Democrat Jerry Brown—Ed Clark piled up

tarian Party is on the march, and is going to become a political force in the U.S. in the future.

Clark's vote totals have come as a surprise to political observers within and without the state of California, observers who have taken notice of the

Party has the ability to break out of the rut in which most minor parties find themselves. In California, Clark soared ahead of two other minor party candidates, each of whom barely made 1 percent of the vote. In other states, in other races, percentages

Campaigning tirelessly and making effective use of media advertisements, Clark broke through the unwillingness of the statewide media to treat his candidacy as an authentic alternative to that of Brown and Younger. He has put the LP on the map



Ed Clark and wife Alicia: claiming the media's attention day after day

a vote which, for libertarians, is nothing short of fantastic: more than 374,000 votes statewide in California, a hefty 5.5 percent of the total votes cast in the largest state in the union, a state which is a political weathervane for the rest of the nation.

Not only was Clark's vote the largest ever received by a Libertarian candidate, it came to more than twice the total number Roger MacBride received nationwide in his 1976 campaign for president. Clearly the Liber-

total as evidence that in years to come, the LP will be a force to be reckoned with. On election eve, two major television stations in San Francisco alone spotlighted Clark's surprising results, and California political analysts told one station there would be victories for the LP before too long in local and statewide races.

Clark's vote comes at a turning point in the LP's short history, at a time when many political observers have questioned whether the Libertarian

have been even higher: Dick Randolph has become the first LP candidate to be elected to the state senate in Alaska, in a hard-fought campaign; Larry Fullmer won 17 percent of the vote in his race for the state senate in Idaho, and in at least one other case, an LP candidate came in second in a three-way race against Republican and Democratic opponents.

But nowhere was the total number of votes anything approaching Ed Clark's remarkable total.

in California, and LP members in that state are determined to see that further gains are made in the next few years.

Congratulations are due Clark and his tiny staff for an heroic achievement. Libertarians around the nation have been cheered, and are planning even greater gains in 1980. It will be a long, hard battle, but let us be clear about what we are facing: the beginning of the end for the stale, rotten, corrupt two-party system in this country. □

# LETTERS TO THE EDITOR

## No more kvetching?

MR. WILLIAMSON Evers's article, "Party Newsletters: No More Kvetching" (*LR*, August, 1978) is full of faulty analyses, misrepresentations and thoughtless denunciations which are belied by the facts, and pronouncements which are belied by his own actions. It is indeed unfortunate that the medium of a letters column does not offer the kind of space that would be required for a point-by-point rebuttal. I can only hope that the sample below will be adequate to enable your readers to determine for themselves the value of Mr. Evers's contribution.

Mr. Evers writes that Steve Trinward, in an article published in *Massachusetts LIBERTY*, advocated "government laws to prohibit private discrimination against homosexuals." In fact, Mr. Trinward said "... we have a series of pressure groups and power centers, inextricably linked to government and its agencies, which interact pretty much as they like, regardless of the individual rights involved. Under these circumstances, to exclude a given group from the protection of non-discrimination statutes is discrimination in itself."

Obviously, Mr. Trinward's argument is that some nominally private institutions are in essence arms of the government, and therefore should be prohibited from discriminating

against any minority, just as we would prohibit discrimination by the government. One might disagree with Mr. Trinward's view that private institutions are sometimes actually arms of the government, but no one can argue in good faith that Mr. Trinward advocated the prohibition of private discrimination.

In the same paragraph, Mr. Evers accuses Dr. Daniel Kotlow of "endorsing much of Henry George's opposition to property rights in land." In fact, after stating that George's views were "worthy of serious consideration" because "the *genesis of original property rights* is a subject which has not been well-explored by libertarians" (italics mine), Dr. Kotlow goes on to say: "George's tragic error was in adopting an organic view of society, ascribing to it collective properties not attributable to the individuals composing it..."

"Libertarians today know that such concepts logically cannot coexist with the concept of individual rights. They are at the foundation of collectivist thought and are the rallying-cries of collectivist practice. We hear them bandied about as justification for all manner of violations of rights. That this is so is due, unfortunately, in no small measure to the influence of Henry George."

It is difficult to see how any reader, much less one

of Mr. Evers's acknowledged intellectual acumen, might construe Dr. Kotlow's carefully chosen language as endorsing *anything*, let alone "much of Henry George's opposition..."

In his next paragraph, Mr. Evers charges that certain positions taken by authors in *Massachusetts LIBERTY* "entail the initiation of coercion and the violation of individual rights." Among the positions listed are calls for the abolition of limited liability corporations and a crackdown on people who are behind in paying their taxes.

In the case of the tax-crackdown, Mr. Evers is guilty of taking the author's recommendation out of context. The crackdown which was advocated was in fact directed only at a particular group of property tax delinquents which had been listed in a Boston newspaper article. That list, reproduced in the *LIBERTY* article in question, was a who's who of liberal, big-spending lobbying groups and legislators. Now, it does not seem unreasonable to suggest, from a libertarian perspective, that the people who voted for and lobbied for the taxes *should* pay them (if anyone should); the article certainly did not maintain that taxes should be collected from innocents. This position certainly does not entail the initiation of force, but rather suggests that innocent taxpayers indulge in a

little self-defense.

In the case of the call for abolition of limited liability for corporations, Mr. Evers is guilty of faulty analysis. It is difficult to see how initiation of force is implied any more than it is by calling for the abolition of limited liability for nuclear power plants (a position taken in the platform of the National Libertarian Party). In fact, it is difficult to believe that Mr. Evers, as a libertarian, can hold the contrary position, viz., that limitations on liability ought to be granted by government fiat. In any case, it is foolish, if not negligent, to accuse one of our more hard-working and dedicated libertarian activists (Steve Trinward) of the Ultimate Sin on such a flimsy basis.

Unfortunately, distortions and personal attacks were not the most objectionable aspect of Mr. Evers's article. Mr. Evers goes on to set himself up as the Arbiter of Ideological Purity in the Libertarian Movement and to represent his own personal views on proper libertarian strategy as being beyond question.

Strategy is admittedly a difficult area for libertarians to grapple with, but we in Massachusetts have found that an open, honest, non-authoritarian mode of operation works best for us. We do not sweep our problems under the rug; we do not conduct periodic purges; we do not do guilt trips on our members. We are also eminently able to be effective politically, and we have virtually no defectors for ideological reasons. I realize that these statements are but unsupported assertions at the present time; a full-length article is currently being prepared for submission to *Libertarian Review* which will offer theoretical arguments

and factual evidence to support the proposition that non-authoritarian organizational forms are the most *effective* choice for the Libertarian Movement.

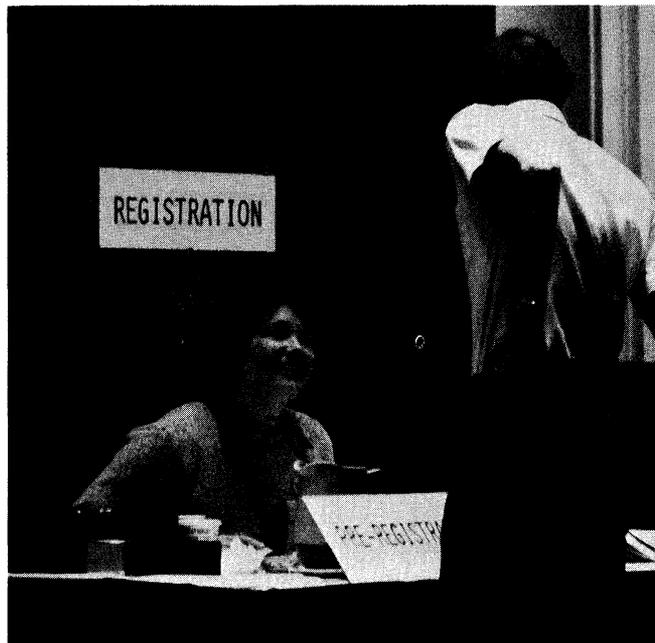
Despite the fact that the Libertarian Party of Massachusetts is probably the most diverse, yet cohesive state L.P. in the country, Mr. Evers presumes to tell us how to organize. Perhaps when he proves himself to be half as successful at working with his own local state L.P. as we have been in Massachusetts, his advice will be welcomed.

Mr. Evers purports to be opposed to kvetching in state party newsletters. In fact, Mr. Evers himself coauthored a letter to the editor of *Massachusetts LIBERTY* which misrepresented the views of one of the speakers invited to the L.P. National Convention (Murray Bookchin) and called for his disinvitation. (I published that letter, despite my very different perception of the matter.) It would appear that Mr. Evers feels that the deleterious effect of kvetching is a function of the identity of the kvetch. Bookchin, by the way, received a standing ovation at the convention and was lavishly praised by the libertarians who attended his talk.

Finally, Mr. Evers writes that "the newsletter of a political party should not be an arena for backstabbing" (*italics his*). What then, in his view, are the proper arenas? Consider the following recent actions taken by Mr. Evers in order to undermine both the Libertarian Party of Massachusetts and the 1978 National Libertarian Party Convention:

1. He bad-mouthed the L.P.M. at National Executive Committee meetings, and talked the committee out of awarding the convention to Massachusetts *despite the fact that*

*ours was the only state party to submit a bid*. He was effective enough to delay the awarding of the convention to the point where we did not have sufficient time to organize the affair as well as we might have.



LP National Convention 1978: Lee Nason greets new arrivals

2. He wrote malicious letters to state chairs and Execom members concerning the appearance of Murray Bookchin at the convention. This caused a number of people to boycott the convention.

3. He wrote the subject article for *Libertarian Review* which both misrepresented *Massachusetts LIBERTY* and slandered individual L.P.M. members. This article appeared just weeks before the convention and undoubtedly convinced some people that they ought not to attend.

It would appear that, in Mr. Evers's view, the proper arenas for backstabbing are not internal party publications but (a) behind the victims' backs (naturally enough) and (b) the pages of a respectable national magazine which serves as a showcase for the Movement.

What is the point of this lengthy critique of Mr. Evers? I hope that people

will realize that even well-known, well-respected libertarian leaders are fallible and that in the long run, movement supporters must look to themselves and their own careful evaluations of the facts, rather

owners and unincorporated businesses should be free to choose with whom they associate. In contrast, "as soon as one incorporates", then, it seems, the right to discriminate, the right to pick and choose, "has been forfeited."

The fundamental problem is that Trinward does not have a libertarian view of incorporation. A concise summary of such a view can be found in Murray N. Rothbard's *Power and Market* (2nd ed., pp. 79-80):

"Corporations are not all monopolistic privileges; they are free associations of individuals pooling their capital. On the purely free market, such men would simply announce to their creditors that their liability is limited to the capital specifically invested in the corporation, and that beyond this their personal funds are not liable for debts, as they would be under a partnership arrangement. It then rests with the sellers and lenders to this corporation to decide whether or not they will transact business with it. If they do, then they proceed at their own risk. Thus, the government does not grant corporations a privilege of limited liability; anything announced and freely contracted for in advance is a right of a free individual, not a special privilege."

Thus, limited liability for debts (as opposed to torts) was historically—before government began chartering of corporations—a contractual matter, freely agreed to on the market. Limited liability for debts is essential to the existence of corporations, and such liability is completely compatible with libertarian principle. Yet one of Trinward's specific complaints about the corporate form of business association is that by allowing corporations,

than accept dogma handed down from on high.

LEE NASON  
Editor,  
*Massachusetts LIBERTY*

*I see from Lee Nason's letter that she chooses to add apologia to her sins.*

*Nason is constrained by space limitations to pick the best examples she can to prove her case. Let's see how she fares, and who is correct.*

*Does Steve Trinward advocate laws against private discrimination? In articles in the February 1977 and June-July 1977 issues of Massachusetts LIBERTY, Trinward makes it clear that he regards all limited-liability corporations "as part of the state." Once you incorporate, according to Trinward, you should "forfeit your right to be considered part of the private sector." Limited liability "takes away the individual rights to run that business as whoever sees fit." He thinks that home-*

LESLIE J. NEWMAN

governments illegitimately "protect" capitalists from "personal debt." I agree with the criticisms that Trinward makes of limited liability for torts, but limited liability in this sphere is not essential to the corporate form. It is Trinward's refusal to distinguish morally between the two kinds of limited liability that makes his analysis unlibertarian.

By banishing all corporations and their owners beyond the pale in which individual rights are the rule, and by then saying that anti-discrimination statutes should be enforced against corporations, Trinward is indeed calling for large-scale prohibition of private discrimination.

Next, does Daniel Kotlow endorse much of Henry George's opposition to property rights in land? Well, Kotlow writes: "George's view of property rights in land is by no means antithetical to modern libertarian ideas." (LIBERTY, Feb. 1977) He goes on to cite chapter and verse from George's writings that proclaim that land ownership, land rent, and land sales are unjust. Granted that, as Nason points out, Kotlow criticizes George's view that social groups including governments and societies have an ontological existence over and above the individuals who constitute them. But Nason is wrong to imply that the quotations from Kotlow that she supplies are about property rights in land. Instead they are about the nature of groups. It is Nason, not I, who is distorting Kotlow's position.

Third, is Nason right in contending that Trinward "certainly did not maintain that taxes should be collected from innocents"? Well, it is true, as Nason points out, that in the June-July 1977 Massachusetts LIBERTY, Trinward

advocated collecting taxes from certain liberals, but at the same time, he also advocated collecting taxes from Boston's "business interests" such as theater-chain owners (whom he specifically mentioned). I



Williamson Evers joins the South Africa panel

think that the burden of proof is on Nason and Trinward to show that theaters should be taxed.

Thus, upon examination, it seems that Nason's evidence that I misrepresented articles in the Massachusetts LP newsletter turns out to be evidence of her own misunderstandings and misrepresentations.

Nason's curious perspective on what she calls "dogma" deserves some discussion. Why is it that other people's theoretical views are the ones called "dogma" by Nason, but not her own views? It is clear that she herself has strong views on theoretical questions: She says I am "guilty of faulty analysis" for upholding the legitimacy of business corporations. (She holds views similar to Trinward's on this topic.) According to Nason, her views are the only ones that are not "contrary" to the libertarian position. My views, on

the other hand, are those of someone who wants to be sole "Arbiter of Ideological Purity." In a sense, Nason is on to something here: I do think ideological purity is fundamentally important, but I do not think

I am, nor do I aspire to be the only one in the libertarian movement striving for such purity. After all, the Libertarian Party's decision to call itself "the party of principle" is a recognition that there are correct principles and that applying them and adhering to them consistently is a vital matter.

Nason contends that the Massachusetts LP is "eminently" politically effective and that non-hierarchical organizational forms are the "most effective choice" for the libertarian movement. Why then has the record of the Massachusetts LP been one of unmitigated disaster? Massachusetts has a comparatively large LP unit, yet the history of its electoral efforts is hardly one to be proud of. In 1975, the Massachusetts LP's candidate for mayor of Boston failed to get on the ballot because his petition was a dozen valid signatures short of the required

number. In 1976, "non-hierarchical organization" meant that nobody bothered to research adequately the law governing ballot status. As a result, the Massachusetts LP did not realize that since 1972 it was possible to put candidates for U.S. Senator and for President on the same petition. Time was wasted, and the petition drive did not get launched on time. Not only that, Nason herself (who was the 1976 Massachusetts LP Senatorial nominee) does not even know the correct number of signatures that were required in 1976 or will be required in 1980 for ballot status. In a recent letter to the national LP's 1980 ballot status committee, Nason contended that 57,000 valid signatures were necessary in 1976 and again in 1980, but in fact the law was changed in 1973, and 38,000 is all that is needed. In line with its non-hierarchical prowess, the Massachusetts party gave up its 1976 drive midway through the petition period because it was thought that the requirements (whatever its confused knowledge of what they were) were too difficult. MacBride and Nason thus did not appear on the Massachusetts ballot. In 1978, the Massachusetts party did not even attempt a gubernatorial campaign, despite the fact that the only way to obtain permanent ballot status is through a specified vote in the governor's race. In all these cases, the problem is simply that the Massachusetts LP is too disorganized. If the Massachusetts LP then chose to invite Murray Bookchin as a speaker at the national convention because Bookchin is in a sense a glorifier of disorganization and believes that all political parties and hierarchical organizations are unjust and counterproductive, is it

any wonder that I objected?

Lastly, Nason criticizes me for asking questions in the LP national committee meeting about the proposal by Massachusetts to host the 1978 national convention. Yet it seems to me not at all unusual to think that this was a proper time and place to raise such questions since the national committee is the policy-making unit of the national party between business conventions. She says that I wrote a "malicious" letter about Bookchin to LP officers around the country, causing some to boycott the convention. Inasmuch as "malicious" means motivated by evil intent, I find her choice of language at the very least imprecise and wonder what her evidence is for my malevolence, since I responded promptly to letters from Massachusetts convention planners asking my advice on various matters, since I participated in two panels at the convention, and since I never urged anyone to boycott the convention. I sent the same letter to the Massachusetts newsletter asking that it be published, and it was. Nason then asks whether it was good form for me to oppose infighting in party newsletters in general, while participating in such infighting by submitting this letter to the Massachusetts newsletter. Well, since the Massachusetts party and its newsletter is a chaotic free-for-all, I don't think it is inappropriate for those who want to end the turmoil to step into the fray. If Nason doesn't like the fact that a permissive editorial policy of refusing to exclude almost anything submitted can be used to criticize such a policy, I am not in the least sympathetic. It's a case of the chickens coming home to roost.—Williamson M. Evers

## Correction

IN THE PROCESS OF editing, Evers's article was accidentally changed so that it said that John Milton believed that freedom of the press should prevail even if truth was not winning out. What Evers had originally said was that libertarians are right in sticking by freedom of the press even under such circumstances.—Jeff Riggenschbach, Senior Editor

## The pusher as entrepreneur

I HAVE READ THE August, 1978 issue of the Libertarian Review and I must commend you for its excellent quality.

In particular, I must add my approval to the editorial entitled, "Demythologizing Drugs". It is one of the keys, in my opinion, to the transition to a new society that the governmental drug complex be "busted" once and for all. Libertarians who do not understand the importance of this restriction on free enterprise and would rather de-emphasize the drug issue are really only half Libertarians. I can attest from my practice, which involves defense of heroin "pushers" that they are the ultimate scapegoat in present society. Like all other free market entrepreneurs, heroin "pushers" or any other kind of "pushers" are only fulfilling a need which customers have. Government cannot be involved in a market place transaction.

SHELDON R. WAXMAN  
J.D.  
Chicago, Illinois

## The artist as libertarian

THE TWO THEMATICALLY conflicting reviews by G.E.B. Charing and John

Hospers in the September LR raise significant questions concerning the relationship of art in general and literature in particular to the libertarian movement. Charing seizes the crux of this relationship when he affirms that "true art is libertarian", but he, as with almost all critics of a libertarian inclination, fails to essay the positive implications and ramifications of this truth. Apart from rejecting the didactic justification of art and requiring a free environment in which to practice his craft, how and in what specific ways can the true artist be construed as a champion of liberty? This, it seems to me, is the question begged in so much literary criticism appearing in the libertarian journals.

J.P. MYERS  
Department of English  
Gettysburg College  
Gettysburg, Pennsylvania

Professor Myers's question, "How and in what specific ways can the true artist be construed as a champion of liberty?", may be no more than sketchily addressed in the present reply, but it is a question well worth addressing all the same, and I shall endeavour to make the most of the space allotted me.

The true artist is a champion of liberty first and foremost because he is a champion of individuality. Each of his works is, inescapably, a vehicle capable of carrying the reader into what John Hospers has called "a world of thought and feeling fundamentally different from his own—a world in which he can, as it were, enter directly into the affective processes of another (real or imaginary) human being, who is far removed from him in space, time, and attitude toward life." Each of the true artist's works is a case in point

(the philosopher Susanne Langer would call it a presentational symbol) of the truism that everyone is different.

And it is this truism, I am convinced, more than any other, which lies at the base of libertarian ideology—just as the notion that everyone is pretty much alike lies at the base of statist ideologies. If everyone is pretty much alike, even interchangeable, then it is no problem to develop laws equally applicable to all, and it is no problem to demand uniformity of all. If, on the other hand, as happens to be the case, everyone is different, then no system of extrinsic law, no official demand for uniformity, can possibly succeed. Society must be as Friedrich Hayek envisions it, a realm of spontaneous order in which guidance, when it comes at all, comes only from Adam Smith's invisible hand. It is this vision of society which true art ineluctably promotes.

More important, perhaps, but just as inescapably, the true artist is a champion of tolerance. As John Hospers has written (and for all that Professor Myers casts us as antagonists, I find myself unable to disagree with this quotation), people who have "been exposed from early youth to great masterpieces of literature and have learned through them to appreciate the tremendous diversity of human mores and beliefs held by other groups, with the same degree of sincerity that they themselves possess . . . would be less likely to be . . . harsh, intolerant, and rigid. . . ."

And, as LR editor Roy A. Childs, Jr. has written in a recent editorial on "The Conservative Movement", if liberty is our first political principle, tolerance must be our second.—G.E.B. Charing □

# THE PLUMB LINE

## Free or compulsory speech

MURRAY N.  
ROTHBARD

LIBERTARIANS surely favor freedom of speech, that is, the right to speak without being hampered by the government. But the right to speak implies the right *not* to speak, the right to remain silent. Yet libertarians have themselves been strangely silent on the many instances of *compulsory* speech in our society.

The most flagrant example of continuing compulsory speech takes place in every courtroom in our land: the compulsory bearing of witness. Now surely each person is the absolute owner of his or her own body; as the owner of his own body,

only the individual should decide on whether or not to speak in any given situation, and there should be no compulsion upon him to talk or not to talk. And yet in every court, witnesses are dragged in by force (the subpoena power) and compelled to bear witness for or against other people.

The Fifth Amendment, as we all know, prohibits the government from forcing a person to testify against himself: "nor shall any person . . . be compelled in any criminal case to be a witness against himself." Excellent. But why should an accused *criminal* possess a right not also granted to admittedly innocent persons? In short, by what right does a government compel someone to testify against *another*? Here is a flagrant invasion of liberty, a flagrant abuse against the rights of the individual, and an initiation of force and violence against an innocent person. Yet where are the libertarians to raise their voices against this practice?

There is also something peculiarly monstrous and anti-libertarian about the way in which courts, i.e. judges, move against such "crimes" as non-testimony. In every other criminal case, whether real or victimless, the defendant is duly charged, indicted, and prosecuted, and is allowed to plead his case before third parties: judges or juries who are not involved

in the dispute. Yet with the "crime" of failing to testify, all such procedures and safeguards go by the board. The *judge* is the prosecutor—charging the defendant with "contempt of court"—and also the decider of the defendant's guilt (in this "crime" against himself). The judge is the plaintiff, prosecutor, judge, and jury all wrapped into one.

What is more, in all other cases of crime, the conviction and the sentence are punishments *after the fact*, after the crime has been committed. Someone commits a crime, and is then punished. But not so in the case of "contempt of court". In such cases, the judge uses the "punishment" in an attempt to *compel action* on the part of the "criminal". The punishment is before the fact, an attempt to force the defendant to do something the judge wants him to do. And, in theory at least, the judge can keep the victim in jail *for life* until he "purges himself of contempt" by performing the required deed. He can keep the defendant in jail until he agrees to bear witness in court, until he performs the required speech.

A particularly dramatic case involving a clash between compulsory testimony and the First Amendment is the predicament of *New York Times* reporter Myron A. Farber.

In 1976, Farber wrote a series of articles in the *Times* which resurrected the mysterious multiple murders committed a decade before in a New Jersey hospital, in which a number of patients were killed by injections of excessive amounts of *curare*. As a result of Farber's investigations, the surgeon, Dr. Mario Jascalevich was indicted (and later acquitted) of three of the murders. During the trial, the court, at the behest of the defense, ordered Farber to turn his notes in the investigation over to the court. Farber refused, citing the First Amendment (which protects freedom of the press as well as speech), and also a New Jersey "shield law" designed to defend journalists against compulsory disclosure of their sources. Farber added that the government must not be able to commandeer a reporter's notes and sources if a free press is to be maintained. And the judiciary, he pointed out, is a branch of the government.

The court ruled, however, that in this case the shield law and even the First Amendment were overruled by the Sixth Amendment of the Bill of Rights, which guarantees the accused in a criminal trial "compulsory process for obtaining witnesses in his favor." Still Farber refused to turn over the

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## COMING NEXT MONTH

*John Holt, Sam Blumenfeld, Joel Spring and Diane Divoky on the Crisis in Education*

notes. He spent 39 days in jail before Dr. Jascavevich's acquittal won him his freedom. Furthermore, Farber was hit with a \$2000 fine, and the *New York Times* too was fined a flat sum of \$100,000 plus \$5000 a day as long as Farber's notes remained outside the judge's custody.

While the jailing of Farber was, of course, a far more heinous injustice, the crippling effects of the fine on the newspaper should not be overlooked. Not every newspaper is as affluent as the *New York Times*. As Ken Johnson, editor of the Grand Junction (Col.) *Daily Sentinel* puts it, "there would be no recourse against such an incredible abuse of judicial power. We would have to capitulate to the judge's outrageous and illegal demands, or simply say there no longer will be a free and independent newspaper in this community."

Even a veteran civil

libertarian and First Amendment absolutist like Nat Hentoff is nonplussed and disarmed by the Farber case. For Hentoff (and the American Civil Liberties Union as well) feel that they have to balance—and even override—the First Amendment by the Sixth, so that Farber should be compelled to turn over his notes if the defense can show relevance to the case at hand. (See Hentoff, "The Confused Martyrdom of M.A. Farber, *Inquiry* (Oct. 16, 1978), pp. 5-7.)

Well, what does one do if one is a Bill of Rights absolutist—as Hentoff is—and two amendments contradict each other, as they clearly do in the Farber case? What does one do, in general, if one is a Constitutional absolutist and two parts of the Constitution contradict each other, which they do frequently? There is only one way to resolve such contradictions

(if one really wants to resolve them, rather than waffle one's way through arbitrary qualifiers piled on each other). And that is to have a non-contradictory set of principles that is held higher than *any* written document, even one as generally beneficent as the Bill of Rights. Libertarians have such a set of principles, and libertarians therefore are particularly well-equipped to point the way out of this First Amendment-Sixth Amendment morass.

For libertarians hold that it is ever and always illegitimate to use force against a non-aggressor, against someone who has not himself used force against someone else. That means that *no one*, no innocent person, regardless of his occupation: whether he be newspaperman, lawyer, physician, accountant, or *just plain citizen*, should ever be forced to testify or turn over notes to anyone,

whether as witness against himself, or for or against anyone else. In contrast to Bill of Rights absolutism, libertarian absolutism sheds a pure and non-contradictory light on the issue. The Sixth Amendment must be altered to drop the compulsory process clause. The remainder of the Sixth Amendment provides guarantees for defendants against the *government*; only this clause provides defendants with compulsory powers against innocent people. It must be repealed.

Who then will bear witness in court? Whoever wishes to do so, freely and voluntarily. Conscription of witnesses is no more justified than conscription into the armed forces or into any other service or occupation. Freedom and individual rights must extend to all institutions and all branches of life, even into the judiciary, the heart of State power. □

## MURRAY ROTHBARD'S

# Case for a 100% Gold Dollar

Arise, defenders of sound money! In this important work, economist Murray N. Rothbard presents a hard-hitting case for a pure gold standard, 100 percent backing of bank deposits, and private coinage.

With eloquence and scholarship, Dr. Rothbard marshals the historical, logical and moral evidence for a fully gold-backed dollar, and demonstrates why it is the only solution to our present economic problems.

"I therefore advocate as the soundest monetary system and the only one fully compatible with the free market and with the absence of force or fraud from any source, a 100 percent gold standard," writes Dr. Rothbard. "This is the only system compatible with the fullest preservation of the rights of property. It is the only system that assures the end of inflation, and with it, of the business cycle."

Murray N. Rothbard is professor of economics at the Polytechnic Institute of New York. He is author of countless essays, articles and reviews in economics, history, philosophy and social criticism. His books include *Conceived in Liberty*, *Man, Economy and State*, *America's Great Depression*, *The Panic of 1819*, *Power and Market*, *For a New Liberty*, and *Egalitarianism as a Revolt Against Nature and Other Essays*. Dr. Rothbard serves as editor of the *Journal of Libertarian Studies* and of the monthly newsletter *Libertarian Forum*.

Henry Hazlitt, in his review in the *Inflation Survival Letter*, writes: "Professor Rothbard defends [the case for a 100 percent gold dollar] brilliantly—not only with prodigious historical, legal and economic scholarship, but with unrelenting logic... [He] has



given us another provocative, informative, and elegantly reasoned economic tract."

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# OPENING SHOTS

BILL BIRMINGHAM

CONTRARY TO popular warnings, Proposition 13 has not destroyed law and order in California—as witness San Mateo County's crack-down on bingo. Sheriff's deputies raided the weekly game played by the senior citizens of the El Granada Mobile Home Resort in Moss Beach and seized the bingo boards, an \$18 pot, and the \$60 the players had contributed for coffee and cookies. Evelyn Simmons, 71, was cited for operating a bingo game without a license. "This county has eight unsolved murders," raged Mrs. Simmons's husband Frank, "and the cops have to do this."

Surprise, surprise! "Photoreconnaissance satellites have become an important stabilizing factor in world affairs," intoned President Jimmy at Cape Canaveral. "In the monitoring of arms control agreements, they make an immense contribution to the security of all nations." According to the *Washington Post* (October 2, 1978), "White House officials said Carter's speech marked the first time that an American president had publicly acknowledged US use of 'spy satellites'."

After a wave of marijuana arrests in Montgomery County, Maryland, a county school superintendent called on student "government" leaders to exert "peer pressure" on their fellow students to shun the killer weed and so end the arrests. The Walt Whitman High School student council, however, had a better idea: decriminalize marijuana. Arresting dope smokers "only increase[s] their disrespect and bitterness for the entire legal system," said the decriminalization resolution's author. True, he left unanswered the question of why the legal system *should* be respected, but then he's still only a junior.

The fighting is over in Nicaragua—for the time being—and the Red Cross estimates at least 1500 people died; a minor addition to the 25,000 slaughtered since the Somoza clan came to power. But the current dictator is unruffled. "I agree that there has been much destruction," said *El Presidente* Anastasio Somoza. "But what was the alternative? Give up the power, the country?"

As we go to press there is a proposal to build a fourteen-foot high garden wall for 1000 feet along the Washington, D.C. Tidal Basin's western shore, as a memorial to the infamous FDR. The wall, which would include numerous waterfalls, pools and fountains and cost some \$46 million, is the third proposal offered to the FDR Memorial Commission since it was founded in 1955. Although the commission is dissatisfied with the existing monument to the man who Lied Us Into War, it has never been able to agree on what would be appropriate.

What Old Moosejaw really deserves is a replica Hooverville (so-called), a pyramid, ten million feet of red tape and a pile of human skulls—surrounding a plaque reading: If you seek his monument look around you. Come to think

of it, one could get almost the same effect by putting such a plaque in the middle of Washington.

Margo St. James for President? The head of COYOTE, the "loose women's association" and patron of San Francisco's annual Hooker's Ball, recently announced for the 1980 Republican presidential nomination. *San Francisco Chronicle* columnist Herb Caen revealed why the ex-prostitute is offering herself to the GOP: "I felt that with my criminal record, I'd have greater acceptance from Republicans."

Wonder of wonders, some 25 employees of HEW in San Francisco have been ordered to start working ten-hour days, and come in for six hours on Saturdays! Not that they are likely to obey that order, but why was it given? Because \$100 million in unrepaid student loans must be collected before the end of the year, when the statute of limitations runs out. So the bureaucrats must burn up the long-distance wires to recover the debts that have been on the books for up to 12 years. (\$100 million, by the way, is only the figure for four states. Nationwide, the bad debt amounts to \$440 million.) Naturally, they won't be doing this for just their salaries; in order to compensate them for the unaccustomed strain of working, the poor things will get "incentive cash awards". Which, if we are any judge of bureaucrats, will total more than the money they collect.

The US Patent Office has solemnly decreed that Bettencourt Acoustically Designed Audio Sound Systems may call their new guitar bridge BADASS. □

# THE MOVEMENT

MILTON  
MUELLER

A RARE EVENT has occurred—the release of a new libertarian film.

Outside of that old workhorse, *The Incredible Bread Machine*, and *For A New Liberty*, the new LR film, there have been no films which consciously set forth the modern libertarian viewpoint. This shortage makes *any* new film produced by libertarians an event to be welcomed and encouraged. At the same time it places a would-be critic in a bizarre position. A critic of libertarian films is rather like a French caveman attempting to write a gourmet guide to the Pliocene era—high standards seem out of place when so little is available. And let's face it: culturally,

the movement is in the stone age.

Well, the newest painted bison on the wall of the libertarian cave is *Libra*. *Libra* was produced by World Research, Inc., the same people behind *The Incredible Bread Machine*, although this time a different director—Patty Newman—is responsible for the effort.

*Libra* is the name of a space station in the year 2003. This privately financed, limited government (tsk, tsk!) space colony has emerged as a shining alternative to the over-regulated, energy-starved earth. The earth, you see, is in the clutches of an International Planning Commission that can barely keep the lights on. *Libra*, on the other hand, is producing cheap solar energy and selling it to the earth—all the while attracting a constant stream of “regulation refugees.” The plot hinges on this dramatic predicament: if *Libra* can attract a large investment to expand its solar-collection capability, it will be able to sell enough energy to make a serious dent in the rationing and centralized planning of the budding world government.

Thus, while *Libra* merrily circles the earth, a gathering of New York investors heatedly debates the merits of the proposal, and the bureaucrats of the International Planning Commission attempt to short circuit *Libra*'s expansion.

The climax occurs when

a representative of the IPC (sort of an interplanetary Wesley Mouch) debates the President of the (limited) government of *Libra*, in an attempt to undermine its public support and discourage the investors from giving it money. In what is one of the most pungent dramatic devices of the film, the President of *Libra* is a handsome James Earl Jones-type black man.

*Libra*'s plot gets in lots of slaps against government control of the market, “no-growth” policies, and the economic illiteracy of planners. Libertarians will be amused by scenic tidbits like the one in which a puzzled planner, referring to *Libra*'s currency, asks, “Hayeks? What kind of a name for money is that?”

The film gains in strength from the fact that all of the technology necessary to build a station such as *Libra* is either in existence, or close to it. The film draws heavily on the plans and visualizations of scientist Gerard O'Neill, formerly of NASA, and on the PBS *Nova* series, from which the *Librans* have taken several visual effects and computer graphics about space stations.

But Patty Newman and World Research did not stop there. They developed an elaborate program of backup materials for classroom use of the film, including a newspaper that is supposed to be published by the space station. The paper includes articles on

*Libra*'s form of government, accounts of various property rights conflicts that might arise in such a colony, and a letter to the editor from a space pietist complaining about the popularity of free-fall sex in zero-gravity chambers.

While *Libra* is pretty good instructional material, it is not very good drama. Some of the acting is clumsy, and the development of the plot is very, very slow, interspersed with long, “educational” dialogues. *Libra* is in a filmic netherworld, caught between exciting drama and classroom-style education. It is possible for dramatic films to be educational as a by-product, and it is possible for educational films to be dramatic—but a film has to be one or the other primarily or it loses its structural integrity.

This is the “Movement” column, not the film column, so I won't go any further into *Libra*'s technical flaws. The film will be useful for film-starved libertarian campus groups and LP meetings that need something to communicate the optimism and desire for technological progress that accompany, in many libertarian minds, a belief in the free market.

However, I do wish to be critical of some of the implications of the film. There is at this moment a lot of political controversy over solar satellites. And the *facts* about this controversy undermine considerably the assumptions of *Libra*.

The plot of *Libra* rests on a mostly false dichotomy between a stubbornly no-growth government and free-enterprise technological progress. But what happens when government and its evil bureaucrats do not *impede* innovations, but do everything in their power to subsidize them at the behest of established business with political



“College campuses ain’t what they used to be during the mythical sixties.”

pull? With respect to space stations and satellites, that is the real problem facing us. Here is some pertinent information right out of today’s papers:

§ The Carter administration favors a proposal to spend millions for the Department of Energy and NASA to assess solar satellite technology.

§ The *Sunsat Energy Council* was recently formed by major aerospace industries. Its purpose is to “educate” federal decision makers about the benefits of solar satellites and to work for federal underwriting of development costs. Corporate members of *Sunsat* include Grumman Aerospace, Westinghouse, General Electric, Boeing, Lockheed and RCA.

§ In the early 1960s, the U.S. Government approved the creation of Comsat Corporation, a publicly owned consortium of private firms, to develop and operate communications satellites for the public marketplace.

§ Most recently, NASA began to study the pos-

sibility of turning over operation of the infamous space shuttle to “private” industry. Possible models for “private” contractor operations include: Amtrak, operated for the government by a consortium of private railroads, and Comsat Corporation.

I mention these facts, not to needle the makers of *Libra*, but to add more sophistication to their handling of the issue. It may fit comfortably into Randian and conservative stereotypes to portray government as intrinsically anti-industrial, anti-growth and anti-progress. But when these stereotypes clash with reality they ought to be discarded. And the fact is, for practically every new form of technology to come down the pike—from railroads to nuclear power—government subsidization and promotion has been as much a problem as regulation and obstruction. This may be emotionally unappealing to free marketeers because the bad-guy government is in collusion with the good-guy businessmen—

but that’s the way it happens to be. Viewers of *Libra* should keep this in mind.

Meanwhile, college campuses ain’t what they used to be. They are submerged in a new mood that’s hard to categorize. One thing is certain—there is less interest in political activity than during the mythical sixties.

Ayn Rand, a few years ago, concluded that this change in students’ attitudes was laudatory, an indication that students were becoming more self-centered, purposeful and work-oriented, while shunning “selfless moral crusades.” What she apparently doesn’t realize is that the entire university system—from the lavish government funded building sprees to the billions in taxes spent on scholarship and research grants—represents one of the most profound state interventions into our society ever undertaken. A student body that blindly pursues its career without any moral questioning of this system, a student body that

shuts out radical ideology in favor of fraternities and toga parties does not bode well for the advancement of libertarianism.

Right smack in the middle of this subdued climate, Students for a Libertarian Society is engaged in one of the most systematic and ambitious organizing efforts ever undertaken by a libertarian campus organization.

From early September to late October SLS has sent representatives—myself and George O’Brien—directly to campuses all over California. Organizations have been initiated at U.C. Berkeley, Stanford, San Francisco State, UCLA, University of Southern California, and the Northridge, Hayward Humboldt and Fullerton campuses of California State University. The national office of SLS, under the management of Doris Taylor, has proudly assumed the role of “outside agitator,” actively sending representatives to campuses for 2 or 3 days of leafleting, postering and collecting names to help

DAVID POWERS/JEROBOAM, INC.

get the locals started.

After personally working 10 or so schools like this, one gets a pretty complete picture of the state of college campuses in California. We have seen sleepy rural universities and huge, crowded urban campuses. Nearly all bear the indelible stamp of concentrated state expenditures on the hard sciences;

questions and discussions: What's a libertarian? What about the big corporations? What about the Russians? And that old favorite—who's going to build the roads?

What did we discover? Significantly, we found that libertarianism is quite capable of attracting new people—if its representatives know what they are

mildly liberal younger students not deeply politically involved before. All of which sounds rather good.

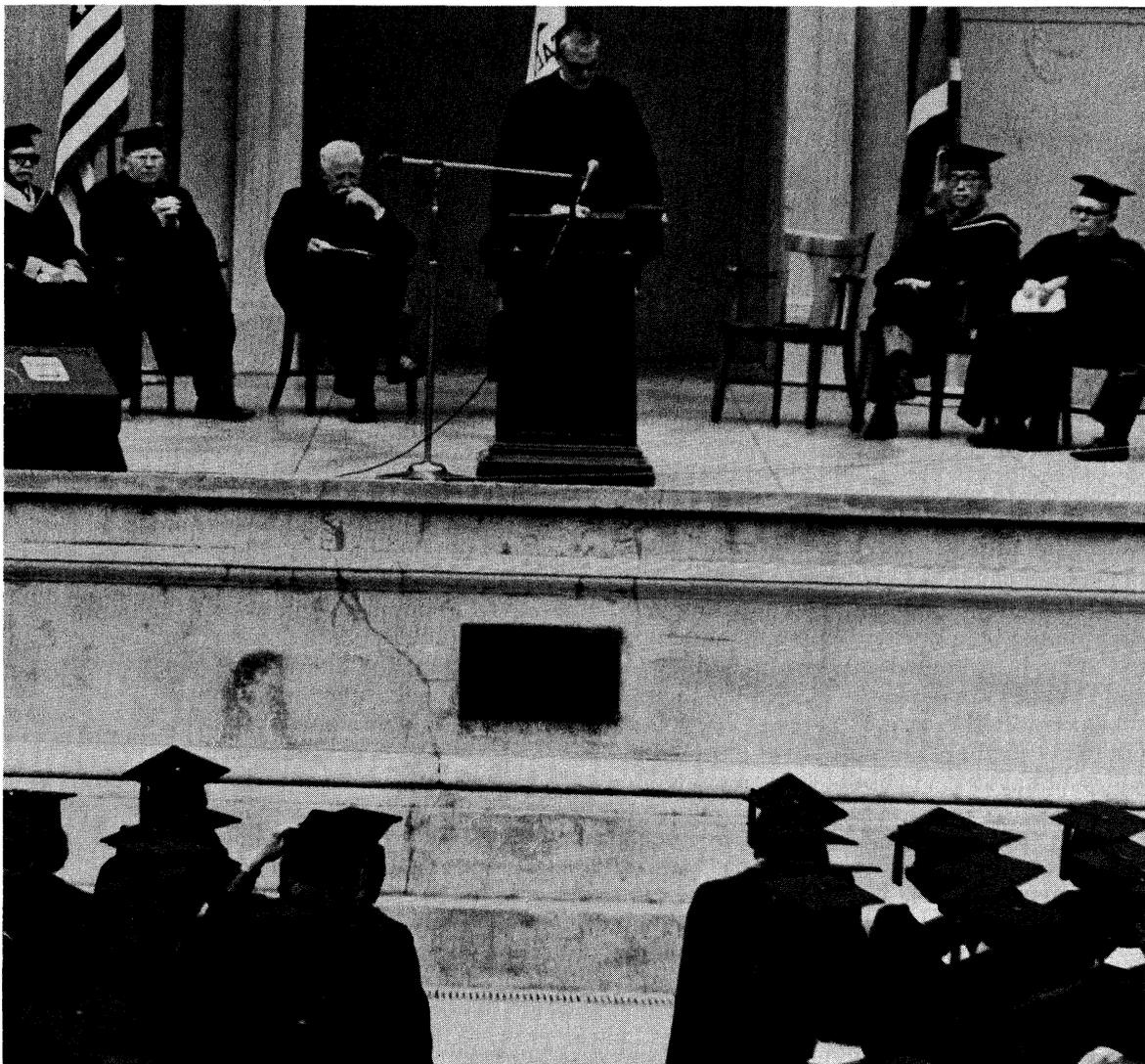
But a caveat is in order. The two of us are relatively experienced activists, have read more libertarian literature than average, have answered thousands of questions, and are familiar with a lot of different political perspectives. And

campus. Indeed, this need for good activists was a primary motive behind the creation of SLS. Since we can't find them, we will have to make them. SLS plans to run activist training retreats in the near future.

Most of the activists we do have tend to come out of the Right, and thus tend to be familiar with economic issues only. Often, they don't know the language and concerns of other political perspectives, and are therefore incapable of shepherding them into a libertarian perspective. They don't know how to guide a Third World student concerned about U.S. imperialism into a free-market analysis of it. They don't know how to appeal to a young liberal concerned about poverty. They don't know how to talk to a black student about Affirmative Action.

We have had some real success stories, though. The San Francisco State group, under the leadership of Wes Shirley—a freshman—has already sponsored a rally for Ed Clark and a rally against the Briggs initiative, and meets weekly. The USC group has several good activists, as well as some new people. Cal State Humboldt, which had a libertarian faculty member but no other identified libertarians we know of on campus, suddenly has an active group with 15 or so members.

The opportunities for a significant, even dominant role for libertarianism on campuses are there. SLS is looking for hard-core libertarians on college and high school campuses willing to sponsor and work for a "blitz" of their school. At present, SLS activities are restricted to California, but we hope to go national by next fall. Call us at (415) 781-5817 if you're interested. □



RUSSELL ABRAM/JEROBOAM, INC.

U.C. Berkeley, 1977: are students less interested in political activity, more work-oriented?

physics and astronomy buildings are nearly always new and large. We have competed for students' attention alongside born-again Christians, the Palestine Liberation Organization, Communists, Socialists, Republicans, Jewish groups, environmental groups, the Iranian Students Association, and bake sales. And there were the endless

talking about. We found that we attracted nearly the same number of new people from the left and from the right, although the people from the right were much more likely to assume they were libertarians even when they were not. Of course, most of the previously unexposed people we attracted were not out of either camp, but were rather uncommitted,

there are damn few people like that in the libertarian movement on college campuses. Time and time again, we would build up name lists of 15-40 people, only to discover at the organizing meeting that no one was really capable of picking up the reins. The socialists, on the other hand, seem to have energetic, bright and articulate people on nearly every

# THE PUBLIC TROUGH

## Who cares about a balanced budget?

BRUCE BARTLETT

OVER THE years conservatives have probably expended more effort fighting for a balanced federal budget than for any other single thing except victory over Communism. The conservatives can be excused for this, because they are living in another world, but there is no excuse for libertarians to fall into this trap. Even now, the quasi-libertarian National Taxpayers Union is heavily involved in a national drive to get a balanced budget amendment to the Constitution passed. Not only is this effort mis-

directed economically, but it is incredibly stupid politically. If pursued logically it will inevitably lead to a repudiation of the most important political and economic position libertarians have: tax reduction.

If one looks at the problem economically there is really only one good argument for a balanced budget: to fight inflation. But this argument is false, because budget deficits in and of themselves are not inflationary. What matters only is how the deficit is financed. If the deficit is paid for by increasing the quantity of money via monetization, it will of course be inflationary, just as any increase in the money supply would be regardless of whether or not there was a budget deficit. If the deficit is financed out of savings via borrowing then there is no change in the money supply and therefore no inflation. All you get is a redirection of capital from market-oriented means to government-directed purposes. This is certainly not desirable, but has nothing to do with inflation.

Because they hate deficits so much, conservatives have brought great political harm to themselves. They have positioned themselves as tax collectors for the liberals. Thus liberals win their elections by promising something-for-nothing via deficit spending, and the conser-

vatives then try to either cut the spending or increase taxes to pay for it. Either way it is the deficit they are most concerned about. Consequently, the conservatives become associated negatively in the peoples' minds as those who take away their benefits without offering anything in return except the promise of a "balanced budget," or as the people who raise taxes.

Libertarians must never fall into this trap. They must turn the argument around and say: The deficit does not matter; spending matters and taxes matter, and both must be cut regardless of what the deficit is. We must be prepared to argue, as Milton Friedman does, that it is better to have a \$400 billion federal budget that is unbalanced than a \$500 billion budget that is.

Actually, spending is not even all that important, because it will take care of itself once government is denied revenue because of tax reduction. If we make tax reduction our central focus and succeed, spending will eventually have to be reduced. And even if it isn't, we will still be better off because taxes will be lower.

The political importance of all this is that it gives us a political lever superior to the one the liberals have. We don't have to go around like the conservatives saying we will take

everyone's benefits away and give nothing in return. We don't even have to say that people have a choice between spending and tax reduction. We simply say: Cut taxes and let the bureaucrats worry about the budget. This is precisely what happened with Proposition 13.

We forget that there was once a time when libertarians understood much better than they do now that tax reduction is the fundamental domestic economic issue. In the late 1940s there was a movement in this country which almost succeeded in getting an amendment to the Constitution setting the maximum tax rate at 25 percent. And it is no coincidence that the very first bills introduced in the Congress during the two Republican Congresses of 1946-8 and 1952-4 were bills to cut income tax rates across the board. These efforts were frustrated by presidents and political leaders who said that taxes could not be cut without spending cuts or else we would have inflation. This fundamentally altered American politics for three decades, because once the Republican Party dropped its support of tax reduction in favor of a balanced budget, its coffin was sealed.

Since we now know that fiscal policy has nothing to do with inflation and that balanced budget amendments do not even hold down spending (every state in America has to balance its budget, but that hasn't held down state spending), we simply have to accept the fact that budget deficits don't mean anything, that tax reduction is the only thing that counts, and that libertarians must not allow themselves to be suckered into balance-the-budget efforts. Proposition 13 is our model and we must not lose it. □

# Henry Hazlitt:

## Old Pro of Economic Journalism

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### An LR Interview

Inflation, all the newspapers and weeklies tell us, is our number one problem. More than that, it's the government's number one problem, because it's continuing—cheapening the dollar with each passing day, leaving even the middle and upper-middle income earner increasingly strapped for funds—at a time when business is slowing toward what many economists now see as an inevitable recession. Inflation and recession together is supposed to be impossible, according to the theories of John Maynard Keynes, whose notions about governmental tampering with the economy have dominated thinking in Washington since the 1930s. And the Carter administration candidly admits that it is unable to make head nor tail of the present situation. Still, Carter himself has proposed wage and price controls (“voluntary guidelines”) as the solution to the problem he admits he can't understand.

He would have done better to read Henry Hazlitt's new book on *The Inflation Crisis, and How to Resolve It* (Arlington House, 192 pp., \$8.95), an updated and extensively revised edition of his earlier *What You Should Know About Inflation* (1960). Hazlitt has understood for years that there is only one root cause, one principal stimulus, of inflation: government expansion of the money supply. And his newest book applies this understanding to the current situation with characteristic lucidity and readability.

As a writer on economic matters, after all, Hazlitt is an old pro. He joined the staff of the *Wall Street Journal* in 1913, when he was 19 years old, and has been writing about economic and financial matters ever since. During World War I, and during the decade-long boom which followed it, Hazlitt wrote on finance for the *New York Evening Post*, the *New York Evening Mail*, the *New York Herald*, and *The Sun*. During the '30s he moved over to the *New York Times*, and during the '40s, '50s and '60s he contributed a regular column on economic issues to *Newsweek*. It was also during the '40s and '50s that Hazlitt completed his most famous and influential books: *Economics in One Lesson* (1946), and *The Failure of the New Economics: An Analysis of the Keynesian Fallacies* (1959).

But Henry Hazlitt has never devoted his considerable journalistic and scholarly talents exclusively to economics. His first book, published when he was not yet twenty-two years old, was an intelligent popular book on *Thinking as a Science*. During the '30s, he served as literary editor of the *Nation*, and as editor-in-chief, succeeding H.L. Mencken, of the *American Mercury*; during that decade he also published one of his most provocative and infrequently discussed books, *The Anatomy of Criticism*, a “trialogue” among a book reviewer, the editor of a scholarly literary journal, and a professor of literature. In the '60s he turned his attention to philosophy and published *The Foundations of Morality*.

Today, at 84, Hazlitt continues to criticize government economic policy from the perspective he first adopted before World War I and has been refining and deepening ever since. He continues to contribute to periodicals (the November 11 issue of *Human Events* contains an article by Hazlitt arguing that it is only by reducing the money supply that the Carter administration will be able to do anything about inflation).

LR sent regular contributors Richard Ebeling and Don Lavoie to talk with this distinguished journalist and author about the past, present, and future of his long career. Here are some samples from their conversation.

**LR:** President Carter's new program of “voluntary” wage and price controls is oddly reminiscent of earlier price control schemes — during the second World War, during the Korean war, and during the Nixon administration. What lessons do you think we've learned from those earlier experiments?

**Hazlitt:** It depends on who you mean by “we”. If you're thinking of the present federal officialdom, if you're

thinking of the Joint Economic Committee of Congress—they've learned nothing from the past. It's a curious thing, and one which has begun to occupy my thoughts more and more—the enormous gap between professional thinking about social problems and what filters down to the politicians. It's amazing. The thinkers and the politicians seem to be in two different worlds. The politicians act as if they'd never heard anything at all about the inadequacies of price controls. When Carter talks about fighting inflation, he seldom mentions the budget deficit; he never mentions the expanding money supply. He mentions keeping big companies from raising their prices. The whole business about what causes inflation and what harm price controls do—it never seems to filter down.

Now there is such a thing as deliberate ignorance, and I



think it's part of the ignorance of the politician, but not all of it. My next book is going to be on this subject. I have a tentative title for it: *Is Politics Insoluble?* Its thesis will be that the political problem is the real problem, that most of the major economic problems have been solved. That is to say, we know now what most of the remedies for economic problems are and are not. The problem is, what limits should you put on government power? There's no precise agreement between any two people on that. It's a very difficult problem. And then the other problem is, once you have drawn such limits, how on earth do you keep the politicians within them? How do you prevent them from using whatever powers they have to extend their powers? And that is their first object. When a politician is elected, his first object is not to make things better for his constituents, his first object is to retain power, and then to exercise as much power as he has to enlarge this power. This has now reached such immense proportions, such alarming proportions, that it's practically the major problem of our time. How do you control government? To say that it should act sensibly is no answer at all. It waves away the real problem.

**LR:** How should the problem be approached? How should the dismantling and control of government be accomplished?

**Hazlitt:** That's very difficult to answer. It isn't so difficult to state what should be done. It's simply difficult to the point of near impossibility to get someone to do it, to get the holders of power to yield power. This would require the holders of power to admit publicly, "We don't know how to manage this; we've been managing it and we've made a mess of things. The thing to do is to try to return this problem to the free market. The free market can solve this far better, and all those of us who advocated this government intervention made a mistake." That's the first necessary step, and it's very difficult to imagine its being taken. You've got a terrific number of bureaucrats who have a vested interest in continuing nationalization, for example. They're in danger of losing their jobs very quickly if their industries are denationalized. That's a tremendous vested interest. And this is not primarily an economic problem. The economic problems are fairly easy, comparatively speaking. It's a political problem. It's the fixed idea that a new law or a new executive order or a new regulatory commission is a solution to a problem. A few days ago the President signed an executive order ordering bureaucrats to write simply and plainly. How do you enforce that? I can hear the judge: "I sentence you to three months in jail for writing obscurely and complexly." But this order is no sillier in principle than a lot of what we're doing.

**LR:** You've been writing from the free market point of view for more than half a century. How did you first become interested in libertarian ideas?

**Hazlitt:** When I was about seventeen or eighteen I read Herbert Spencer. Spencer, of course, was not an economist, but he was certainly a libertarian. Later I read Adam Smith and John Stuart Mill.

**LR:** Have you changed your ideas in any fundamental way since that earlier period? Do you still consider yourself a Spencerite?

**Hazlitt:** Well, no. I think Spencer was wrong on a great many things, but he was certainly right on the limits he wanted to put on government. In some things I've become much more a libertarian than I was then, because I now realize that government can be trusted to do practically nothing right.

**LR:** Early in the 1930s, you were criticizing the New Deal in the *Nation*, though the *Nation* was known for its leftist bent. How did you come to write those pieces?

**Hazlitt:** Well, that was sort of an accident. I had been book editor of the *New York Sun*—that too happened accidentally—and the *Nation* was looking for a new book editor. At that time I was having some problems with the *Sun*, so when this offer came along from the *Nation* I said ok. Now at that time I was very much addicted to H.L. Mencken and his general attitude, and that led a lot of people to think that I was a socialist—or at least a liberal in the present American sense of the word. I came to the *Nation* as a book editor, strictly to review and assign books. But they knew that I had been writing the

economics editorials of the *New York Sun* before I became book editor there and that I had written the stock market column for the *Tribune* and had been financial editor of the *Mail*. I had the background. So they asked me to write on what they assumed were “technical” problems, and I wrote on them.

**LR:** You also wrote for the *New York Times* during the 30s and 40s. Was the general editorial position of the *Times* quite different then?

**Hazlitt:** Oh, quite different. The *Times* hadn’t consistently adopted the libertarian attitude of my own editorials, but they were open to it. I had left the *Nation* to succeed H.L. Mencken (at his request) as the editor of the *American Mercury*, but I didn’t get along too well with the publisher, Alfred Knopf. So, a very short time after that Knopf and I decided that he would look for another editor and I would look for another job. So I went to the *New York Times*. I had always wanted to write for the *Times*, because it exercised such great influence.

Usually my editorials would confine themselves to a particular problem and would not broaden the argument to contend that we ought to have a completely free economy. I avoided sweeping generalities as much as I could and kept to the limited issue discussed in the editorial.

**LR:** Before you went to the *Times*, how did you come to get the job offer from H.L. Mencken?

**Hazlitt:** I had become a Mencken fan very early, and a regular reader of his first magazine, *The Smart Set*. I read and reviewed nearly every one of his books as it came out. But I never met Mencken until I took over as book editor of the *Nation*. He had done a few reviews for the *Nation* before I became book editor, so I thought if I hit him only every once in a while for a review, he wouldn’t say no and break the spell. So about every three months I asked him for a review and he wrote it. We corresponded a little bit, but not much. Mencken’s correspondence was usually a one-or-two-line letter sent along with his review. Then one day he called me up and invited me up to his room in the Algonquin, where he stayed when he was in New York. He started reminiscing about his whole life. He said he’d had ten years editing the *Mercury* and thought he’d had enough, that it needed a younger editor. Mencken thought the *Mercury* was getting a little too stereotyped. Everybody said that every piece in it was written in Menckenesque. He said he wanted to give it up and devote himself to writing books, and would I like to be his successor? That’s the first time I actually met him. He lived in Baltimore and never went on the cocktail circuit. When he came to New York, it was usually to see the people he already knew there.

Anyway, I accepted his offer and edited the *Mercury* until Knopf and I could no longer work together. Then I went to the *Times*, where I stayed for 12 years. But eventually the *Times* and I began to part company. When the international monetary conference at Bretton Woods, New Hampshire was called in 1944, the *Times* sent an army of reporters to cover different aspects of it, and they asked me if I wanted to go there too. I said I didn’t. I wanted to be a free agent and criticize the proposals as they were framed. And by the time the agreement took

shape, I could see that Bretton Woods was going to lead us to exactly the situation it has led us to—with the dollar in decline, world inflation, and unemployment at home. But before long came the day when the delegates from 43 nations approved the agreement. Arthur Sulzberger—who was then running the *Times*—called me to his office.

“Look,” he said, “when 43 nations sign an agreement, I don’t know how we can still oppose it.”

And I said, “Well, whatever you think; but if that’s so, I can’t write any more editorials on Bretton Woods. I

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**“It never occurs to the man in the street that the smart heads of all the governments could agree to something completely idiotic.”**

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think the whole agreement is nonsense. I think they’re merely building up inflation. I think the whole idea of Bretton Woods is to make inflation worldwide and respectable.” So I didn’t write any more editorials.

I also had a signed Monday article on the financial page in addition to my unsigned editorial. Arthur Sulzberger said, “Under your column we’re thinking of printing a line saying, ‘the opinions of Mr. Hazlitt are not necessarily those of the *New York Times*.’” I replied, “You can do that if you wish; but I’ll have to point out a problem that you’ll have: If we just put that under my signed column and under nobody else’s, you’ll be implying that every one of their opinions *is* necessarily the opinion of the *New York Times*.” So he said, “I get your point,” and he never did it.

Anyway, it was at that time that the *Newsweek* offer came along, and I thought that I might be having increasingly uncomfortable relations with the *Times*; so I took it.

But the *Times* was always very generous. In 1945, I told them I would like to take every other day off at my own expense to write a book called *Economics in One Lesson*, and they said, “fine.” Then, when I was all through, I sent them a list of the 45 days I’d taken off, so they could deduct the pay. But they never deducted the pay. So I went to Arthur Sulzberger and said, “I’ve been getting my regular salary. You haven’t deducted anything.” And Sulzberger said, “we’ve decided to make you a present of the time.”

There was never any head-on confrontation between me and the *Times*. In the Bretton Woods matter, there was just this issue of “if the whole world is doing this, who are we, the *New York Times*, to say it’s wrong?” I was saying, in effect, that the so-called experts weren’t really experts.

The man in the street still has a vague idea that if all these smart heads of all the governments agree on something, it must be right. The fact that they could agree to something completely idiotic never occurs to people. And

anybody who suggests such a thing is dismissed as talking irresponsibly, just for the sake of attracting attention. A lot of newspapermen feel that way too. So I moved on to *Newsweek*.

**LR:** During your years as a *New York Times* editorial writer and a *Newsweek* columnist, you got to know some of the most important founders of the contemporary libertarian movement and helped to introduce their work to American readers. How did you discover the work of

up and a voice said, “this is Mises speaking.” I had regarded Mises as a classic. It was almost as if someone had said, “this is John Stuart Mill speaking.” That’s how the thing began.

**LR:** Didn’t you try to get Mises a position at the New School for Social Research?

**Hazlitt:** I tried several places—I just ran into a blank wall. He was very badly off. He didn’t have a job, and he



Dinner in honor of Henry Hazlitt (speaking) on the occasion of his seventieth birthday, November 28, 1964.

Ludwig von Mises, and when did you meet him?

**Hazlitt:** Early in the '20s, when I was financial editor of the *Evening Mail*, I read my friend Benjamin Anderson’s book *The Value of Money*, in which he criticized Mises’s theory of money and credit but called it an “exceptionally excellent book” with “very noteworthy clarity and power”. Then later, in 1937, I read a review in the *London Economist* of a new English translation of *Socialism*. I wrote to the publisher, Jonathan Cape, saying I was very much interested in this book—could they send me a copy to review in the *New York Times*? Much to my surprise they wrote me back saying no, they didn’t want to do that because they were negotiating for an American publisher, and they didn’t want to have it reviewed in the U.S. before the American publisher had published it. So I wrote back again saying, well, all right, but let me know as soon as you’ve heard anything. Then they wrote me back a couple of months later and said, “our negotiations with the American publisher have fallen through, so we are sending you a copy of the English edition.” I reviewed it in January of 1938. And I wrote then that it was the most devastating criticism of socialism I had ever read.

I sent a copy of my review to Mises, addressing it to the British publisher to forward to him wherever he was. And they did and some correspondence developed between us. Then one day in 1940 the telephone rang and I picked it

was living on his savings. He never said a word to me about this, but Margit kept letting me know what the situation was. So I gave a dinner party and had Mises and Alvin Johnson of the New School. We had it in our apartment at 37 Washington Square. I took Alvin Johnson aside and said, “you know Mises is one of the greatest economists living and here he hasn’t got a job. Do you think the New School . . . ?” I knew that he had taken on a number of German refugees, but they were all socialists, every one of them. And he said, “Mises? He’s much too far to the right.”

I was able to get Yale University Press to print his book *Omnipotent Government*. Charles Merz, my colleague from the *New York Times* editorial page, was one of the directors of Yale University Press. So at his suggestion I sent Mises’s manuscript to the Yale Press and that’s how they came to publish it.

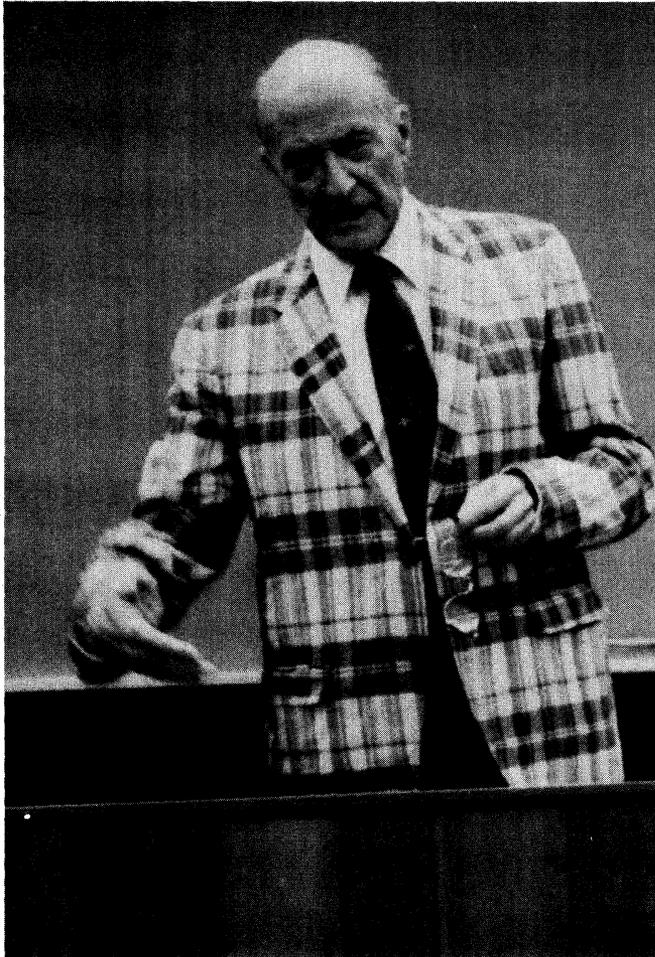
**LR:** Do you attribute Mises’s difficulty in getting a teaching position to his politics?

**Hazlitt:** I think it was entirely because of his politics. Hayek has said that he was discriminated against in Austria because he was a Jew. I never even knew that Mises had any Jewish blood in him, and I don’t think that played any role in his American career. I think simply that he seemed too far to the right. People thought it was

absurd to want to eliminate *all* welfare programs.

**LR:** Why do you think Hayek has always been more accepted by the economics profession than Mises?

**Hazlitt:** Because he seemed less extreme to them. Because his writing was much more conciliatory. Mises never tried to conciliate his opponent. He never said, "well, he may have certain merits but in this he happens to be wrong." He just said, "on this thing, he's wrong" and that's all. And he never hesitated to state the extreme case and to state it in an extreme way. Hayek leads up



Hazlitt lecturing at the Foundation for Economic Education

very gradually and cautiously to his conclusions, and he always says that his opponent is a very learned and intelligent man but perhaps he has made a mistake here.

**LR:** Didn't you once introduce Ludwig von Mises to Ayn Rand?

**Hazlitt:** Ah yes. Ayn Rand. I met her when she was a reader for my wife in the story department of Paramount Pictures. What they did was to have all the new books synopsisized, and the new plays too. Each book would get a 20-page synopsis, then a 6-page synopsis, then a one-page synopsis, then a two-line synopsis, so the producers could look through these quickly to see what they might be able to produce as a motion picture.

Ayn did these synopses and she told my wife she was working on a novel. "This novel is going to be a best-seller", she said, "and it's going to be made into a movie, and I am going to pick the star and sell it to Hollywood

and it will change men's minds." She was doing the synopses at night to support writing the novel in the daytime.

My wife and I had them both to dinner at our house, Ayn Rand to meet Mises and Mises to meet Ayn Rand. After the dinner they went out into the living room, and I went to serve some drinks. When I came back, I found them in a violent argument. I don't know how it started. Ayn Rand stood up and said, "you think I'm just a little Jewish girl who doesn't know anything." I hadn't heard what Lu said, but I said "oh, I'm sure Lu didn't mean it that way." Then Lu got up and said, "I did mean it that way." I think perhaps what happened was—he was a little deaf, you know, and he didn't always know what was being said. Ultimately the thing all calmed down and they had terrific admiration for each other, though they got off to a really bad start.

A long time afterwards, I ran into Ayn and I said, "Ayn, do you know what Lu said to me the other day? I mentioned you, and he said, you're the most courageous man in America." She said, "did he say *man*?" And when I said yes, she was delighted.

**LR:** Rand is commonly regarded as one of the major natural rights theorists of the contemporary libertarian movement. You tend yourself to the alternative approach—to utilitarianism. How do you see the division between these two camps?

**Hazlitt:** I don't like the word "utilitarian". I think it's outlived its usefulness. It has a connotation, the connotation that Dickens gave it in *Hard Times*—I think it's in his *Hard Times*—that anybody who is a utilitarian is a person who sees only the material aspects of things and never the spiritual aspects of things, somebody who only asks "what use is it?" So what could he say about a poem or a sonnet or a musical composition, because "what use is it?" This is of course a complete perversion of what the utilitarians really believe. But apart from the fact that I don't like the word, it is the so-called utilitarian philosophy that judges conduct by its tendency to promote the well-being of the whole society in the long run. And this tends to coincide with the well-being of the individual in the long run. They are not identical. There are times when the ultimate interests of society and the individual might differ, for example, the duty of a captain to be the last to leave his ship—his self-interest does not correspond with that of the other people on the ship. But generally speaking, these interests correspond, and therefore the criterion is utilitarian in the sense that conduct must be judged right or wrong by its tendency to promote a further end than itself, the end of well-being, or happiness—well-being is a much better name for it.

**LR:** How would you respond to those who claim that by appealing to natural rights one naturally appeals to the idea of justice, whereas the utilitarian arguments appeal only to "whatever works best"?

**Hazlitt:** When people condemn "whatever works best," what they're condemning is a form of expediency—whatever works best for me in the short run. But whatever really works best is whatever works best for the whole society in the long run. Natural rights is an artificial conception. It originated in the effort of people to find some guide that God or Nature had implanted in the universe.

How do you define natural rights? They are simply the rights that people ought to have. Then people said, “it would best promote the well-being of the individual and society if people had such and such rights. They declared these to be natural rights. They think they’ve got a prop under them that they wouldn’t have if they didn’t use that adjective. “Natural rights” is a phrase that’s intended to give sanctity to the belief that such rights were something built into the universe, prior to creation, prior to existence. It’s a mystical phrase. It’s simply an unnecessary concept.

**LR:** How is it unmystical to talk about the “the good of the whole in the long run”, when in fact, what can we say about the good of society if society is nothing but an aggregate of individuals, and the individuals may not agree upon the ends that should be pursued?

**Hazlitt:** I think society should not be contrasted with the individual. Of course, it’s individuals who make up society, but if each individual pursues his own self-interest short-sightedly and mistakenly, as he often does, then it’s going to be bad for him and bad for everybody else. It isn’t that society is something standing outside of him. He has to consider others, and the best situation arises when he considers others in everything he does and others consider him in everything they do. It’s just a matter of perspective. If an individual thinks about “what are my own interests in the long run?” he’ll find that his own interest in the long run is to treat others fairly, be considerate of others and others will be considerate of him.

**LR:** Aren’t you suggesting that people should be more interested in the long run even when the long run may not occur for a long time? For example, let’s suppose someone advocated inflation because he thought he would benefit from it in the short run. He might not pay the consequences of these inflationist policies, these deficit budgets, until thirty or forty years later, by which time he may be dead.

**Hazlitt:** You mistake my meaning when I say think in terms of the long run rather than the short run. I don’t mean that what’s going to happen a year from now is more important than what’s happening now. What I mean by the long run is all the short runs added together. Bentham stated it pretty well: if you drink for the pleasure of getting drunk now and forget how you’re going to feel tomorrow, you are not maximizing your happiness, but the opposite. It’s a question of maximizing your own happiness, or minimizing your own misery. You must take into account the future as well as the present. I am not advocating that you take into account the future at the expense of the present. That isn’t the idea. I’m talking about the result on net balance.

**LR:** Can a utilitarian speak of justice?

**Hazlitt:** I have never been able myself to reach a satisfactory definition of justice. And I’m not alone. I think Frank Knight writes somewhere that it’s a very hard thing to reach a satisfactory definition of justice. But we do recognize injustice. In fact we can usually spot a case of injustice without hesitation. Mises was convinced that justice is whatever promotes social cooperation. Now to most people this would seem like a very odd definition of

justice. But poor as it is, and I think it’s very unsatisfactory, it’s the most nearly satisfactory one I’ve been able to come up with. Whatever arrangement most promotes social cooperation in the long run is what we call justice. Now, Rawls thinks he’s got a definition of justice that will stick, but I don’t think his definition of justice holds. It’s of the “let justice prevail though the heavens crumble” school. Mises was always making fun of that kind of definition, and I do too on the same grounds. If the universe disappeared, then justice couldn’t be done. It’s a contradiction. Justice is a means for promoting well-being—it isn’t above well-being. Yet there are many who

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**“My wife and I once had  
both Ayn Rand and  
Ludwig von Mises to  
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think, “what’s the use of everybody being well-off if we don’t have justice?” I think they’re involved in a clear contradiction. If we didn’t have justice, people wouldn’t be well off. People think of justice as a primary idea, and I think that a mistake. I think it is a derivative idea. It’s whatever arrangement or settlement promotes the best outcome.

**LR:** If one accepts this way of looking at the problem, then how does one respond to someone who says, “listen, I’ve heard your arguments. I realize that in the long run the free market and the recognition of private ownership of property tends to benefit everyone. But I see that we have a short run problem—there are people who are starving, there are people who have other types of disabilities, and though I don’t want to totally ignore the benefits from certain policies in the long run, I see nothing wrong with a little bit of welfare to help the people over the short run transition, because foregoing a little bit of future benefit won’t be so bad if right now we gain a little bit of good so these people don’t have these terrible hardships.” How do you respond to them?

**Hazlitt:** My response is that it *doesn’t* gain us a little bit of good now. If you put people on extended relief, they give up working. Then your unemployment problem grows worse, *because* they’re being “taken care of” by the system. And all such systems operate in exactly this way.

**LR:** How about monetary policy? Is any short run advantage gained by giving government a monopoly on issuing currency? What do you think of Hayek’s proposal of free market money?

**Hazlitt:** Well, what he proposes is that anybody who wants to establish a currency may do so, and give it a special name of his own, like a “ducat”, or something like that. Murray Rothbard made the right comment on that.

Hayek would issue his hayeks and Rothbard would issue rothbards, and so on. Hayek even suggests that everybody have a pocket calculator in his hand and find out what one currency is worth in terms of another. He does suggest, and I think correctly, that eventually people would use only a few currencies; but he doesn't say what's going to happen while there are a lot of competing currencies. If we allow people, as I have suggested myself, to mint coins, or to issue gold certificates, and actually have the gold that they say they have or otherwise be liable to suit for fraud, then I think that finally only three or four such coins or certificates would be accepted, just as today there are only three or four credit cards that are accepted nationally. But Hayek wants the value of a private currency to be fixed in terms of an index number. I think that could not work without making the currency convertible into fixed amounts of all the commodities in that index. It becomes an insoluble thing—the issuer of the currency would have to have on hand a shipload or a trainload or much more than that of various commodities to convert his currency notes into.

And Hayek makes the astonishing statement that an issuer could keep his private currency stable by limiting the issues. Now such limitation would have no meaning whatever so far as the value of the privately issued monies is concerned, except in relation to the known assets of the issuer and his reputation for honesty. If I issued a million hazlitts and Nelson Rockefeller issued a million rockefellers, there's no question—even if I had announced that I'd limited my issue to a million hazlitts—there's no doubt that regardless of that, Rockefeller's currency would sell at a far higher rate than mine. Why? Because it is known—or at least suspected—that I haven't got the resources that Rockefeller has.

Now all right, suppose I've got a rockefeller; what's it worth? What can I get for it? Hayek says it might be made convertible either into German marks or into Swiss francs. But holders would then consult the daily exchange ratio and convert it into whichever was the dearer, and then buy whichever national currency was cheaper, and they'd trade your currency out of existence in no time flat, no matter how rich you were. So you have to make your private money convertible into one thing, not into either of two things. You can't do that. And if it's convertible only into Swiss francs, then it's a superfluous Swiss franc. It's amazing to me that Hayek, who's so sophisticated on monetary matters, should make this proposal.

**LR:** About Hayek, when did you first meet?

**Hazlitt:** Well, I first met him in 1947. John Chamberlain happened to mention to me that there was a very important book coming out by Hayek—*The Road to Serfdom*. So I asked to do the review for the *Times*. I was bowled over by the book, and I wrote a review saying it was the most important political book of this generation. When the book editor of the *Sunday Times Book Review* gave it to me, we both assumed I was writing it for the back pages. But when he saw it called the “most important exposition of liberty since John Stuart Mill” he put the review on the front cover. The University of Chicago Press had printed only 3000 copies, but when it got a first-page review in the *New York Times* it immediately became a best seller and in a week the publishers were out of copies.

Then, in 1947, Hayek invited about 43 writers and scholars to Switzerland for the first conference of the Mont Pelerin Society. It was not a society then; it was a meeting of libertarians and became a society. That's when I first definitely remember meeting him.

**LR:** You also know Hayek's fellow free marketeer and Nobel Laureate, Milton Friedman. How would you contrast their approaches?

**Hazlitt:** Well, Milton has always been very sure of himself. He's a very clear writer, a very easily readable writer. He has a very vigorous mind. But Hayek's has always been more an exploring mind, more a mind that is not certain that he knows all the answers and in fact changes his answers frequently. He's also a much more subtle writer, and a much more difficult writer to read partly because of stylistic reasons. His sentences are sometimes endless. I think that Hayek's influence will be felt much longer than Milton's though, because although Milton is a beautifully lurid writer, and a first-rate debater, what he's contributed to economics is more questionable. In his monetary theories, he is, curiously enough, a statist. In spite of the fact that in everything else he is for the free market, when he comes to money, he's a complete statist. He believes that control of the supply of money should be left entirely in the hands of the state. And his theory keeps changing all the time. Sometimes he's advocated zero increase in the money supply, sometimes 2%, sometimes 4-5-6%—I think 6% is the highest he's openly gone—and in one essay, he even said, “well, I really think I'm coming back to 2%. 2% for the long run will be good. But on the other hand, I would advocate 5%.” I think that Hayek's influence will be more deepseated and longer lasting than Milton's.

**LR:** Do you think his influence will help move us closer to a free society?

**Hazlitt:** Yes, it's always possible. There are even signs of this happening in the near future—not here, where we're going into deeper and deeper controls—but there are signs of such change in England and Sweden. In Sweden, they threw the Socialists out, but their successors haven't had the nerve to do anything. And the Socialists may even reform themselves and learn some lessons. They're doing that to a certain extent. And of course, there's much greater freedom in Russia than there used to be, because we now hear about the dissenter—we never used to hear about dissenters. Again, in China, they are rebelling publicly against the worship of Mao. They're trying to restore a certain normality, a certain pragmatism, a certain peace, and even some incentives.

**LR:** What would the world be like if it were free? What would a free society be like?

**Hazlitt:** I can only say that it would be free, and that freedom is a value in itself. Freedom would liberate the creative energies of people in all directions. You can't foresee what they would do, what they would develop. I assume this freedom would not be the freedom to aggress against one's neighbors, but all other freedoms. Such freedom, to repeat, would liberate creative energies everywhere. We can't foretell or foresee what that would produce. □

# 'DEREGULATION' AS YE SOW, SO SHALL YE REAP OF BROADCASTING

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## LESLEE J. NEWMAN

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Its name is H.R. 13015, the Communications Act of 1978. It's already a rewrite of a rewrite, and it's still not in its final form. Its author, House Communications Subcommittee Chairman Lionel Van Deerlin (Dem., Calif.) says its purpose in its present form is to deregulate radio and television, and many of its provisions *would* give broadcasters new freedom; but, not surprisingly, that freedom would be granted only in return for a heavy price.

Of all the media affected by the proposed legislation, radio would gain most. All those now licensed to broadcast on radio frequencies could keep those licenses permanently. They would no longer have to apply to the Federal Communications Commission every three years for renewal of their licenses. They would no longer have to commit specific portions of their broadcast week to agriculture, religion, news, and public affairs programming. They would no longer have to prove to the F.C.C. that they were in fact honoring these commitments. They would be free to broadcast anything they liked.

Television stations, on the other hand, would only be given extended permits, and would have to apply for renewal in five years, not three, with the promise that in ten years those licenses too would become permanent. TV would retain its

legal obligation to broadcast public affairs and news. Only the infamous equal time rule would be loosened.

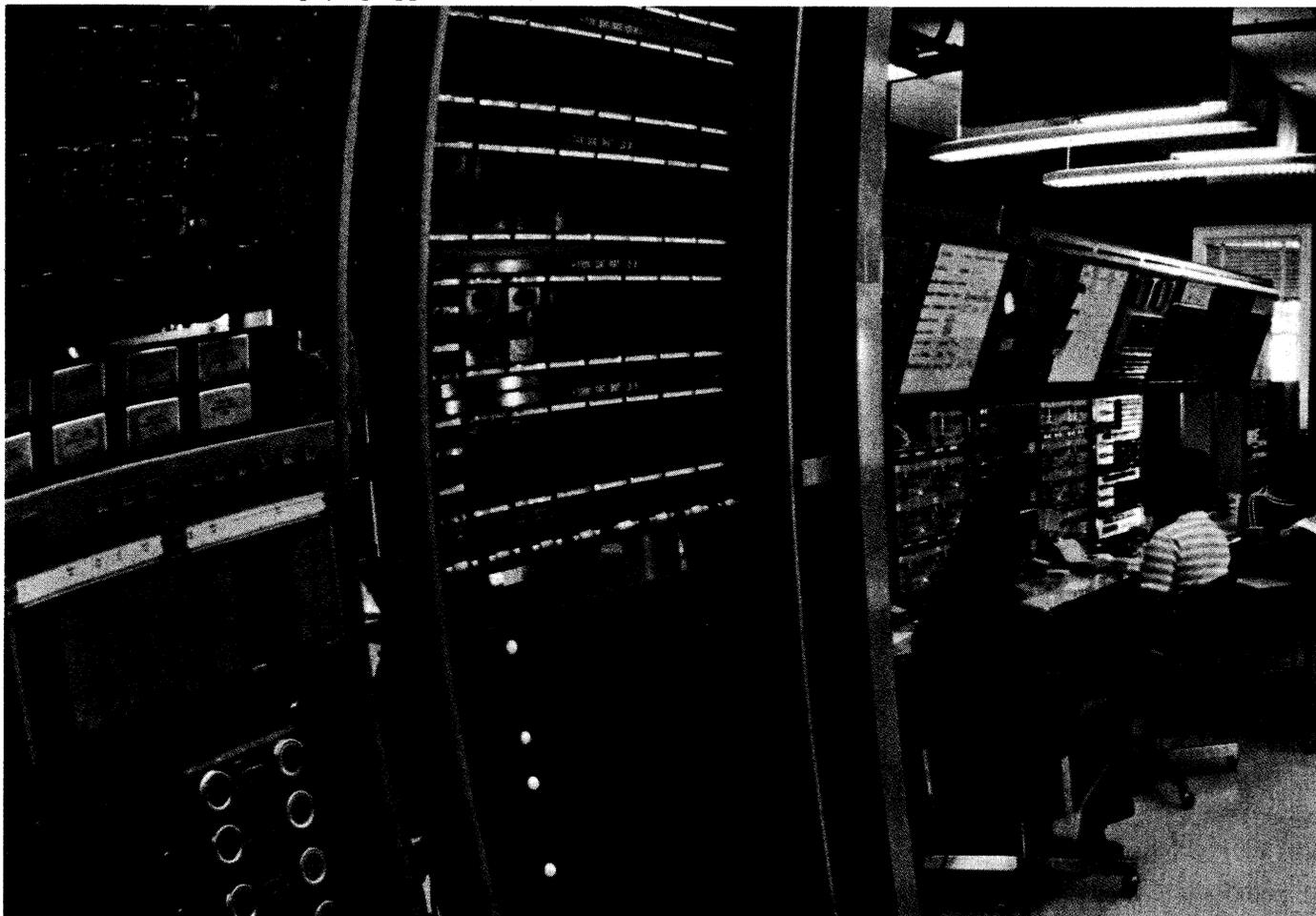
Cable TV stations too would gain under the new legislation. They're presently forbidden by law to make the full use of their technology, which would make it possible for anyone to watch any station in any part of the country—a development which would make networks obsolete. Any broadcasting company could make sure its programs were widely viewed by simply broadcasting on one channel in one community, and contracting with cable companies to rebroadcast the signal nationwide. Reception would even be improved for those who live surrounded by tall buildings in large cities, and for those who live far out in the country, remote from TV transmitters.

But under the new plan, the biggest cable TV company of all might turn out to be Ma Bell. At present, the telephone company is forbidden from using its millions of lines to carry TV signals in competition with the cable companies. And not a few cable companies feel that Ma Bell's privileged corporate position—virtually created to order for her by the State—might make her too awesome a competitor to face. (It is surely the height of hypocrisy that AT&T avidly favors a free market in cable TV, but continues to oppose a free market in telephone service, where it enjoys a State-protected monopoly.)

Public broadcasting would also be influenced. The new bill is supposed to provide it with more government money. But the new money would come at the expense of much existing private support. And public broadcasters fear that with foundations and businesses discouraged by law from supporting educational TV, it would not be long before government called the shots, including what to air and not to air. The Corporation for Public Broadcasting would be abolished. But it would be replaced with the Public Telecommunications Programming Endowment Agency which would "supervise" what few private donations or program grants would be allowed. And while moving toward a vast nationwide network of government stations, the bill moves simultaneously to restrict the growth of private networks. Current owners of the currently allowed maximum of seven TV, seven AM radio, and seven FM radio stations would be allowed to keep their stations. But new purchasers of stations would be limited to a maximum of five in each category. And each of the fifteen would have to be in a separate community—no longer would a single business be allowed to own an AM station and an FM station, or a radio station and a TV station, in a single city.

The new bill would abolish the F.C.C. But it would create the Communications Regulatory Commission, and with it a system of license fees for "use of the electromagnetic frequency spectrum." The size of these fees would vary according to the "scarcity value" of each station, television stations being more "scarce" than radio stations. It would also be determined according to the size of the station, how many listeners or viewers it had, its hours of operation, and the number of other stations in the same "market" or broadcasting community. According to Congressman Van Deerlin, the "scarcity value" of radio stations would be low, and the tax assessed against them would probably no more than cover the costs of their own regulation by the Communications Regulatory Commission. TV stations would bear most of the burden, paying approximately 4% of

was allegedly being created by commercial, amateur, and experimental broadcasters, the participants were the industry giants—RCA, AT&T, GE, and Westinghouse. The representative from Westinghouse stated flatly that there was no need to expand the number of licensed radio stations, because fifteen could adequately serve the needs of the whole country. Westinghouse already had four stations in operation and an agreement with RCA, AT&T, and GE to sell parts only to each other. This monopoly had been urged and facilitated by the federal government, and now the government was asking for a favor in return—the blessing of "the industry" for new regulatory legislation. Obviously, the participants cooperated. They felt that government regulation might limit competition and "protect" their infant ventures. "Chaos" was only an excuse.



An overseas radio transmitting facility of American Telephone and Telegraph—one of the original "big broadcasters" now likely to

their revenues to the new "Telecommunications Fund." And out of this Fund would come the finances—an estimated \$350 million to \$400 million—to operate public broadcasting, aid minority broadcasters, and help establish rural broadcasting stations.

In a way, of course, it is only just that certain of the big broadcasters, certain of the ones who own seven TV stations and fourteen radio stations, should have to foot the bill for a government takeover of educational radio and TV. It was, after all, the big broadcasters who demanded regulation in the beginning. And it is the big broadcasters who have used regulation for more than fifty years to try to put educational stations out of business.

When Secretary of Commerce Herbert Hoover called a meeting in 1922 with representatives of the radio and telephone industries to bring "order" to the "chaos" that

Actually, there was a kind of chaos in broadcasting in 1922—a chaos entirely of and by government. When Herbert Hoover first assumed power over commercial broadcasters under the 1912 Wireless Act, he set aside only *one* frequency, 833.3 kilocycles, for commercial radio use. This meant that every station in existence was broadcasting at the same place on the dial. No wonder the industry was chaotic. The chaos had been created, without real legal authority, by the Secretary of Commerce. That same Secretary of Commerce began issuing the first station licenses, without authority, in September of 1921.

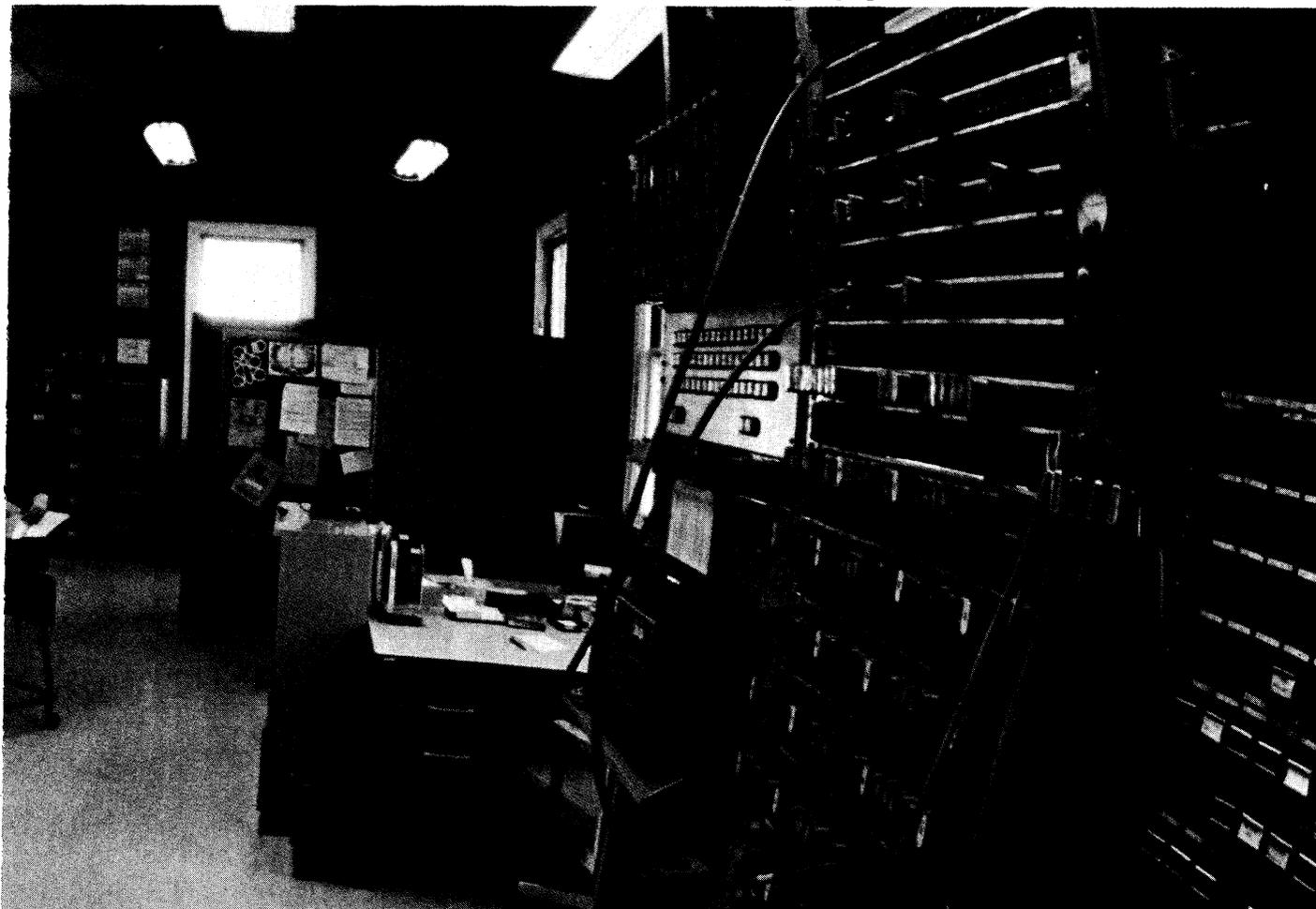
But as Hoover acted, the high courts of the country overturned his actions. In February, 1923, the Court of Appeals of the District of Columbia ruled that the Secretary of Commerce had no authority to license sta-

tions under the Wireless Act. It did, however, uphold the assignment of wave-lengths to competing broadcasters. So Hoover widened the range of broadcast frequencies from one channel to ninety-five, from 550 to 1500 kilocycles, and specific frequencies were assigned to each station. There were too many stations for the number of channels available, so Hoover also assigned specific hours of operation. More than one station could operate on one frequency, but one station had to leave the air so the other could broadcast, even when the two stations were located in different regions of the country, and their signals might not disturb each other if they broadcast simultaneously.

Hoover also began, without authority, to regulate power. In 1925, he began permitting the first radio stations to exceed 5,000 watts radiated power. Today,

a five-man panel which assumed many of Hoover's "duties" of broadcast regulation.

The newly-formed Commission immediately decided there were too many stations licensed to broadcast on too few channels. So it picked out 164 stations that it felt were not broadcasting "in the public interest" and notified them that they would have to defend their right to broadcast or give up their licenses. Louis Caldwell, counsel of the F.R.C., described the reallocation hearings in his *Reminiscences*, now preserved in the Columbia University Oral History Collection: "On July 9", he says, "110 out of 164 stations appeared in a body in the auditorium in the Interior Department building, where the hearings were to be held. We had almost no procedure devised. We had no files. We had affidavits and letters piling up from all the stations. Some stations were



DAVID POWERS/JEROBOAM, INC.

up the consequences of an early commitment to government regulation

5,000 watts is about average signal strength for an AM radio station, but until that time, it had been thought that such strong signals might blot out smaller competitors or cause radio tubes to explode. The tubes didn't explode, but the Northern District U.S. Court of Illinois did. It stated that Hoover did not have the legal power to distribute either frequencies or licenses. The question was then submitted to the U.S. Attorney General, who reversed the earlier rulings. He decided that Hoover did not have authority to assign frequencies or hours of operation, but could grant licenses for specific periods of time. The law was now in a total state of chaos. But it was clarified by the passage of the Communications Act of 1927—the regulation scheme for which Hoover had received industry blessing five years earlier. The Communications Act created the Federal Radio Commission,

soliciting letters from their listeners . . . as high as 400,000 and 500,000 letters. They would come in packing cases. We had to devise rules and regulations." Yet, Caldwell insists, "all stations were heard in about two weeks."

And almost all 110 were closed for "failure to present an effective case." Not one of them was in the Southern United States, the area of the country with the fewest radio stations. Not one of them was a station owned by the big broadcasters. Every one of them was one of the big broadcasters' smaller competitors. Virtually all the strongest signals were granted by the Commission to radio networks or powerful independents. Small stations that couldn't afford to buy congressmen just didn't fare as well.

And educational stations fared worst of all. They were

usually not given their own frequency, but were made to share a signal with a commercial station. Often they could just broadcast a few hours a day. Take the example of Connecticut State College. For ten years its station was moved around the radio dial by the F.R.C. so that it shared the same frequency with seven commercial stations. And each time it was involuntarily shifted, it was given only a few hours during the afternoon to broadcast. The commercial station, with which it piggybacked aired its format during the remaining day and evening hours. The College also had its broadcast power reduced from 500 to 250 watts. For ten years it was constantly in Washington defending its existence, because every time it was moved to a new frequency, its new commercial host immediately (and understandably) petitioned to get rid of the educational parasite. In 1931, Connecticut State ran out of patience and money. By that time, radio regulation had destroyed most of the other educational stations as well.

But a new bill had been proposed which would meet the education crunch head-on: the Wagner-Hatfield legislation provided that all existing station licenses be cancelled and a new redistribution of frequencies take place, with educational, religious, agricultural, labor, and non-profit organizations being granted one-fourth of the existing channels. And the power allotments to commercial stations and special interest stations were to be "equally desirable". However, the Communications Act of 1934 passed without any such redistribution. The large commercial broadcasters had persuaded Congress not to pass the provision favoring educators because it would allow the educators to advertise, and wasn't there already too much advertising? The commercial stations had proposed a compromise. *They* would broadcast educational public service programming themselves. Each commercial station would commit a specific amount of its airtime to such special programming. It apparently didn't matter if the educational and public service shows were aired at the least desirable times (usually between 2:00 and 5:00 in the morning, or late on Sunday evening). Again the commercial giants had their way, killing their public affairs competitors.

The major new feature of the Communications Act of 1934 was the addition of telephone regulation: The Roosevelt administration felt that the former telephone regulator, the Interstate Commerce Commission, had been too "lax". The Federal Radio Commission therefore became the Federal Communications Commission, and the five-man panel increased to seven. Otherwise regulation continued much as it had before. As the number of licensed stations increased, of course, it became impossible for the relatively small Commission staff to keep tabs on so many. The solution turned out to be the three-year license renewal procedure. If a station didn't behave, the F.C.C. could close it. As long as a station aired what it promised the F.C.C. it would air, or at least made things appear as though it did, it kept its license. Quality didn't count, but a few complaints from listeners might. They could initiate an investigation of the station. And this remote possibility was enough to scare broadcasters. To this day, they continue to "prove" to the Commission every three years that they are meeting their commitments, and the Commission continues to renew their licenses. But if a station wants to change frequency, broadcasting power, call letters, or format, or if its owners decide to sell it, it is at the mercy of the F.C.C.

Now, with the Communications Act of 1978, all that could end. The weapon of license renewal would be withdrawn completely from radio and eventually from television. And the large commercial broadcasters who demanded the weapon in the first place are dead set against its elimination. They're dismayed especially at the idea of paying greater booty to the government in the form of a license fee. Vicent Wasilewski, the president of the National Association of Broadcasters, puts it clearly and simply. "We're already on record relative to the proposal," he says. "Until our board directs us to the contrary, we'll still be opposed to it." But if the large commercial broadcasters had not tried to "protect" themselves in the '20s and '30s they would not be faced with such increased taxation now. If the commercial broadcasters in the '20s and '30s had not been so eager to kill their educational counterparts with the State's gun, they would have no commitment to support them as public broadcasting stations today. If the large commercial broadcasters had never fallen for the notion that they should have a legal obligation to operate their stations "in the public interest, convenience, or necessity," they would not now be faced with the prospect of financing a competing chain of stations owned and operated by the government.

Curiously, this phrase, "in the public interest, convenience, or necessity", which has been used as the basis upon which licenses have been granted, denied and revoked for the past fifty years, appears nowhere in Congressman Van Deerlin's legislation. It has served the F.C.C. very well indeed in the forty-odd years of that agency's existence: its meaning is so indeterminate, so vague, that the Commission has been able to make it mean whatever it has wanted it to mean. Earlier in this century it proved equally useful to another arm of Herbert Hoover's Department of Commerce, the arm which enforced the Transportation Act of 1920 by seeking to determine whether applicants for railroad franchises were likely to operate their roads "in the public interest, convenience, or necessity."

Doubtless by now, though, the phrase has outlived its usefulness. Nearly everyone in America, and nearly everyone in the broadcasting business, has long since been convinced of the necessity for government policing to make sure broadcasters operate in the public interest. It need no longer be spelled out in so many words.

And if it were, there would be the danger that the public might look around it at long last and wonder whether government regulation of broadcasting has *ever* operated in the public interest or in anyone's interest outside that of some government bureaucrats and politicians (and in the short-range interests of a handful of big money broadcasters). Raising such questions could become sticky. It might become necessary to acknowledge that if Herbert Hoover had never begun regulating the airwaves, we would have today the diversity of commercial and educational stations the free market in radio had already begun to provide by the early 1920s. We would probably even have the diversity and specialization which the free market has provided for years in the parallel field of magazine publishing.

Few broadcasters will profit from the so-called deregulation of the Communications Act of 1978. Television public affairs departments will have five years instead of three in which to prepare their lengthy license renewal applications. They'll find equal time require-

ments easier to fulfill. The existing requirement that a station give the same amount of time to all major candidates running for a particular office will be enforced only for local campaigns. Most statewide and prominent national candidates will no longer be able to ask stations for their chance to respond to the coverage given their competitors. These gains seem minor, however, when it is remembered that television will be paying most of the new taxes required by the new act. And who is to guarantee that the five-year license renewal process won't become permanent, instead of ending in ten more years as promised?

And the public broadcasters, like their educational radio predecessors, will lose again. As government

less operating money under the new bill than it now has available. All the money raised by the new taxes will not be given to public broadcasting; it will be shared with minority broadcasters and rural or local community stations. A whole new generation of radio and TV stations could arise which would be dependent upon government money, and government control.

And this is the final irony of the Van Deerlin bill: that, like most government projects, it is so far behind the times—so far behind the state of the art in broadcasting—that it amounts to a fantastic boondoggle. In the future, with free market development of cable TV technology which is already available, networks will be unnecessary. A viewer will be able to watch any station in



NIKOLAY ZUREK/JEROBOAM, INC.

“In the future, with free market development of the cable TV technology which is already available, networks will be obsolete.”

loosens its reins on radio and eventually on TV, it will only increase its hold on public broadcasting. In fact, PBS Chairman Newton Minow fears that there will be increased PBS dependency on the government in the near future. The public stations will be forced by the new bill to stop identification of private sponsors. The government feels such stations have become too “commercialized,” just as it felt that educational radio stations were headed in that direction in the thirties. Thus, using some of the same rationale which defeated educational broadcasters under the 1934 Communications Act, the new legislation would make it impossible for public broadcasters to receive much money in private endowments. Let's face it: Private companies will not continue to sponsor shows or series on PBS without name identification. They'll put their advertising dollars back into CBS, NBC, ABC and Westinghouse, where the regulators, in their capacity as henchmen for “the industry”, would rather see them going. Without private endowments, PBS will be more dependent upon government funding, perhaps resulting in the eventual nationalization of the stations.

But not only is government control of PBS a real menace; public broadcasting may actually come out with

any part of the country. Local stations will become more important as they produce programming for particular communities or particular viewers, but ABC, NBC, and CBS will no longer need affiliates all over the nation. And neither will the government-owned and operated PBS network. Duplicating broadcasting services for hundreds of stations will be obsolete; broadcast specialization will predominate, just as it already does with radio stations in many large cities. In Southern California, for example, one can choose from nearly a hundred different stations and a multitude of different formats. This will eventually occur in television, too. And when it does, the government's nationwide, old-style network of rural, minority and educational radio and TV stations will look like an old-fashioned crystal set immersed in a sea of printed circuits.

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Leslee J. Newman has worked in radio and television since 1969, mostly as a writer, producer and interviewer on news and public affairs programs, but also as a consultant and technician. She has taught various aspects of broadcasting, including its history, at Los Angeles City College, California State University at Northridge, and Valley College. Her documentaries on current public issues are heard monthly on more than 200 radio stations coast to coast.

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# BOOKS AND THE ARTS

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## Capitalism and its discontents

ROY A. CHILDS, JR.

Two Cheers for Capitalism, by Irving Kristol. Basic Books, 256 pp., \$10.00

SOME MONTHS ago, Irving Kristol told an interviewer that he was at work on a moral defense of capitalism. This isn't it, but unfortunately that hasn't stopped some reviewers from pretending that it is. Kristol has lately become the most outspoken and visible thinker in the neoconservative camp, and *Two Cheers for Capitalism* has therefore been alternately hailed and snorted at as a neoconservative manifesto. It isn't that either. It

consists largely of columns written for the *Wall Street Journal*—columns which raise such a host of provocative questions, exploring “both the criticism directed against liberal-capitalism and the tensions inherent in such a society as ours,” that it is well worth reading, manifesto or not.

It is no accident that the neoconservatives' star is rising; they have strong views and opinions at a time when such things are almost extinct. And the American people are hungry for such things. We should therefore be clear about where the neoconservatives stand on fundamental issues: shunning socialism, they support instead a vision of a conservative welfare state with some degree of State sanction for traditional culture and its norms, a renewed assertiveness by corporate leaders whom they generally see as being too passive and ineffectual in the face of assaults on the corporations and business, and—usually—a hard line foreign policy which harkens back to Wilsonian “idealism.” They call this system “liberal capitalism.”

Kristol is a champion of this “liberal capitalism”—a capitalism which is anything but *laissez-faire* or libertarian—and he may even be its best champion. But that isn't good enough.

And neither is “liberal capitalism.” This is not to say that Kristol hasn't made significant progress. He has. And that is why *Two Cheers* is worth reading on another level. As Kristol says in his preface, “it is a kind of intellectual autobiography, explaining how and why someone who was once simply content to regard himself as a ‘liberal’ has come to be a ‘neoconservative.’” But really, more than that: Kristol started out as a young Trotskyist in the 1930s and 1940s, and recently came to the conclusion, in a symposium on “Capitalism, Socialism and Democracy” in the pages of *Commentary* magazine, that

“Economic freedom may not be a sufficient condition for . . . liberty, but it is an absolutely necessary condition. Never in human history has one seen a society of political liberty that was not based on a free economic system—i.e., a system based on private property, where normal economic activity consisted of commercial transactions between consenting adults. Never, never, never. No exceptions.”

His understanding of capitalism, however, is flawed and marred by confusions. He is concerned with a moral defense of capitalism, but does not refer either to Ayn Rand or Murray Rothbard in these pages—even to engage them in dispute—nor has he apparently read much of the rich classical liberal tradition beyond perhaps Adam Smith and Alexis de Tocqueville. And in a work considering the meaning of “social justice,” he mentions Hayek only in passing, and Robert Nozick only once—to use his phrase “capitalist acts between consenting adults.” Never mind the fact that *Anarchy, State and Utopia* is the definitive setting to rest of John Rawls's work, plus a crushing demolition of the ideal of equality,

plus a defense of a “minimal state” as being a “framework for utopias,” plus a defense of the moral base for capitalism, to wit, the entitlement theory of justice (which really underlies Rothbard's work as well). None of this is mentioned.

When all is said and done, Kristol has a distorted view of capitalism itself, economically, morally, and culturally, drawing far too much on the type of analysis contained in his friend Daniel Bell's work *The Cultural Contradictions of Capitalism*. He is better at taking on capitalism's avowed antagonists—the “new class”—but without a firm moral foundation for capitalism, he can really do little more in this work than discuss the ways in which, allegedly, capitalism is digging its own grave, by producing and arming a class of antagonists which is using ideals of “equality” and “social justice” to destroy the very system from whence they have come. Holding, falsely, that capitalism is culturally self-destructive, he can do little more than serve as a critic, and point out the numerous ways in which capitalism's defenders—alleged or not—are ineffectual.

It is a strange defense indeed of capitalism which Kristol offers us, for he tells us that “capitalism is the least romantic conception of a public order that the human mind has ever conceived. It does not celebrate extraordinary heroism in combat, extraordinary sanctity in one's religious life, extraordinary talent in the arts; in short, there is no ‘transcendental’ dimension that is given official recognition and sanction.”

But this rather humdrum system, this unheroic public order of such overwhelming tediousness,

“works”, and is “peculiarly congenial to a large measure of personal liberty.” The only drawback is that

“the better the system works, the more affluent and freer that society, the more marked is the tendency to impose an ever greater psychic burden upon the individual. He has to cope with his ‘existential’ human needs—with the life of the mind, the psyche, and the spirit—on his own. At the same time, precisely because the bougeois-capitalist order is so ‘boring’ from this ‘existential’ point of view—what poet has ever sung its praises? What novelist was ever truly inspired by the career of a businessman?—the psychic needs are more acute. A dangerous dialectic is thereby created. Young people, no longer hard pressed to ‘better their condition,’ are all the more free to experience the limitations of their social world, to rebel against them, to participate in what Lionel Trilling called ‘the adversary culture.’”

But this amounts to nothing more than the claim that in a free society which respects individualism and diversity, people are left free to choose their own lifestyles, occupations, beliefs and systems of meaning—they are left free to shape their own lives. This may be a frightening thing for some who lack self-control and independence, who are not inner-directed, self-responsible human agents. Perhaps this is because they have not yet begun to cultivate such attitudes. Certainly our educational system doesn’t encourage them to do so.

Even so, it is absurd to blame “capitalism” for this state of affairs. Intellectuals and artists have made excellent critics, but poor builders, of cultural institutions. Whose responsibility is it to develop, articulate and popularize a coherent set of cultural values? And who has failed? “Bourgeois soci-

ety”, or the cultural intelligentsia, which has utterly failed to develop beliefs and attitudes appropriate to a new kind of economic system, a new political system, with new possibilities? Intellectuals have complained about a “vacuum” in our spiritual lives, but few of them have tried to do anything to fill this alleged “vacuum.” They have preferred to take potshots at capitalism rather than to set about analyzing its incredible possibilities and providing cultural values, works of art, and aspirations to match. We must get this clear at the outset, or we will be led down Kristol’s dead end.

As a system which is based upon private property and voluntary relations among human beings, capitalism is both demanding and liberating at once. It demands that each individual choose his own values, beliefs, moral practices, and aesthetic tastes, his own systems of meanings, symbols and ceremonies. What we call our “civilization” is a complex tapestry woven of such things. “Capitalism” does not “determine” the civilization; it is a framework within which people produce and create; they are free to do enormous harm, and to achieve great ends.

For those who want ready-made values and meanings, there are conventional routes to follow—but they must *choose* them. That responsibility is there under a free system whether it pleases people or not.

But there is *freedom* under capitalism too, with attendant risks and ever-present responsibility. It is *wrong* to blame abstract systems like “bourgeois society” or “capitalism” for the values which are adopted and expressed in such systems. It is precisely

the hallmark of such systems that people are free to choose their values. They are free to choose other than economic ends; they are free to give up increments of monetary gain for other goals, to pursue professions and occupations which provide one with less than the highest remuneration. They need not pursue the highest possible profits instead of producing something of which they are proud.

This general point and theme—that capitalism and bourgeois society leave human beings spiritually impoverished—is an ancient conservative idea which Kristol uses in complex ways to analyze the “tensions” in contemporary society. He ties many of these tensions to a “new class struggle”, between members of what he has called “the new class” and members of the business community, for power in society, and to the major question which he sees being raised as socialism becomes discredited: the question of the moral justification for capitalism.

In a very important essay first delivered at the classical liberal Mont Pelerin Society some years ago—“Capitalism, Socialism and Nihilism” it was called—Kristol provided a cogent analysis of the problem caused by the concentration of most contemporary defenders of capitalism on economic arguments to make out their case. He wrote that “As a result of the efforts of Hayek, Friedman and the many others who share their general outlook, the idea of a centrally planned and centrally administered economy, so popular in the 1930s and early 1940s, has been discredited.”

But while socialism has been thus discredited, capitalism has not been vindicated. The New Left which has been dominant

since the 1960s has shifted to a different battleground from the Old Left, which made out its case against capitalism on economic grounds. The New Left refuses to “think economically,” and criticizes capitalism on altogether different bases, bases moral, spiritual, aesthetic—almost religious in temper and spirit. The New Left is uncomfortable with and hostile to “economic man” (an unfortunate caricature, one perpetuated by the style of viewing life which too many economists carry with them in intellectual discourse); they have “profoundly hostile sentiments” toward “modern industrial society and modern technological civilization.”

The grave crisis of bourgeois society which we are witnessing today is seen by Kristol as the result of a breakdown of faith; a collapse of conventional values, particularly those associated with religion. “*The enemy of liberal capitalism is not so much socialism as nihilism.* Only liberal capitalism doesn’t see nihilism as an enemy, but rather as just another splendid business opportunity.” And of this last he is especially scornful:

“One of the most extraordinary features of our civilization today is the way in which ‘counter-culture’ of the New Left is being received and sanctioned as ‘modern’ culture appropriate to ‘modern’ bourgeois society. Large corporations today happily publish books and magazines, or press and sell records, or make and distribute movies, or sponsor television shows which celebrate pornography, denounce the institution of the family, revile the ‘ethics of acquisitiveness’, justify insurrection and generally argue in favor of the expropriation of private industry and the ‘liquidation’ of private industrialists.”

This sequence of half-truths and distortions suffers from the same selective

focusing that members of the New Left engage in. Not only is it a package-deal, it simply renders analysis impossible. Not all of the features listed above are destructive to "capitalism," and they are inimical to "bourgeois society" only on a highly restricted (and invalid) reading of what constitutes a "bourgeois society." The fact that a variety of cultural tastes can be absorbed within the framework of capitalism is an argument *in favor* of capitalism, not against it. The fact that capitalism makes it impossible to impose society-wide uniform cultural (religious) norms is precisely one of the reasons it is desirable. Does Kristol think that this sort of cultural homogeneity is any longer *possible* in the modern world? On what grounds? And why is it desirable? It is possible to enjoy a wide spectrum of art, music, literature, movies and the like without finding oneself in opposition to capitalism. It is possible to use the leisure created by capitalism to investigate one's values and attitudes. This is not destructive to capitalism. And neither are the so-called "denunciations of the family," which are in fact nothing of the sort, but merely a questioning of whether other social forms or "lifestyles" are not possible as well. Diverse needs can be met in diverse ways; nothing contained in this simple declarative sentence contradicts capitalism or its preconditions.

To grasp these facts is only to begin to *hint* at the complex approach needed to understand the relationship between capitalism and culture, and the processes set in motion by capitalist development and economic growth. Let us look briefly then at the *true* relationship between economic growth, the

disintegration of older moral-religious beliefs, and the possibilities of a new cultural underpinning for capitalist civilization.

While Kristol is wrong in

and increased leisure, but no product of these must necessarily lead to the undermining of capitalism itself. The undermining of a widespread belief in life-

ethos, but Kristol maintains that this is impossible: far from being something that can be imposed on any kind of person, the individualist ethos presupposes people of "a certain kind of character, and with a certain cast of mind": "inner-directed" people, of firm moral conviction, self-discipline and self-reliance. But Kristol sees this kind of person as being virtually extinct today, with no chance of resurrection. (Interestingly enough, it seems to be this kind of person that Ayn Rand wanted to help create with her "Objectivist ethics.")

But is this true? If a return to a "liberal-individualist" ethos is not in the cards, might it not be in part because the older, "unreconstructed" version of the individualist ethic is out of date, and in need of replacement by one more in tune with our better understanding of the facts? Might it not be that a newer, non-Calvinist individualism stands more than a chance of being adopted today?

Friedrich Hayek dedicates his book *The Constitution of Liberty*, which Kristol greatly admires, "to the unknown civilization that is growing in America." Elsewhere in the same work he describes the advocates of the libertarian-classical liberal position as "... the party of life, the party that favors free growth and spontaneous evolution." Then, in a passage which could easily have been aimed at Kristol, he writes eloquently that: "[O]ne of the fundamental traits of the conservative attitude is a fear of change, a timid distrust of the new as such, while the liberal position is based on courage and confidence, on a preparedness to let change run its course even if we cannot predict where it will lead ... In looking for-



Irving Kristol

believing anticapitalism to be a consequence of rising standards of living, leisure, and education, he is onto something when he discusses some of these cultural consequences of capitalism. Capitalism *does* lead to economic growth

after-death, as well as the cultural fact of the "Death of God," do not have to lead to the consequences Kristol claims. As an alternative foundation for capitalist society, some thinkers have suggested a return to a liberal-individualist

ward, [conservatives] lack the faith in the spontaneous forces of adjustment which makes the [classical] liberal accept changes without apprehension, even though he does not know how the necessary adaptations will be brought about."

The fact of the matter is that we *are* moving, in the manner of the spontaneous development which Hayek understands so well, toward a non-Calvinist individualism more appropriate to the economic reality we live in. We do not yet grasp where what Tom Wolfe has called "the Me decade" is leading us, but surely if we look beneath the surface of modern "psychobabble," what lies there if not a concern with a revamped individualism of some sort? True enough, there is more than enough bilge to last a few lifetimes, but there may also be a groping toward development of the idea Wittgenstein used to call "forms of life,"—what we now call "lifestyles." It is, moreover, a revamped individualism which borrows liberally in spirit, if not in all its detail, from such figures as Abraham Maslow, Fritz Perls, Paul Goodman, Carl Rogers, Ayn Rand, Nathaniel Branden, Thomas Szasz, Robert Nozick, and even David Norton, whose recent book *Personal Destinies*—offers an exciting "philosophy of ethical individualism".

Never mind the inconsistencies of these varied and diverse thinkers—consider the overall *thrust* of their positions and the attitudes they convey. And consider the political meaning of the awakening awareness of the importance of several of these thinkers, along with Friedrich Hayek, Milton Friedman, and Murray Rothbard. Consider also the cross-section

of Americans which is becoming fed up with "big government" and with endlessly escalating taxes.

In short, might we not be moving beyond the shallow self-indulgence that Kristol calls "hedonism" to a more mature and settled individualism which is self-responsible and self-directed, but free of the rigid, inappropriate trappings, the dogmatic baggage?

"One hears much about the 'work ethic' these days," Kristol writes, "and I certainly appreciate the nostalgic appeal of that phrase. But the next time you hear a banker extolling the 'work ethic,' just ask him if he favors making installment buying illegal. When I was very young, it was understood that the only people who would buy things on the installment plan were the irresponsibles, the wastrels, those whose characters were too weak to control their appetites. 'Save now, buy later,' is what the work ethic used to prescribe."

But a great many things have changed since Irving Kristol was a very young lad. The "work ethic" may as an abstraction remain valid, but its concrete application and instances will change radically over time. And if we gripe about "installment buying," what is next? Indoor plumbing, which has also, undeniably, led to a lessening of "self control"?

Anyway, doesn't Kristol realize that credit cards and installment buying impose a discipline of their own on consumers who use them, a discipline, moreover which, instead of hanging in midair like some kind of holy commandment, is derived from the facts of reality? Does he not realize that one must, having used these systems of credit, either meet the terms or suffer economic

sanctions? Isn't *this too* "discipline," discipline, moreover, of the only important sort, to wit, that connected with cause and effect?

Like so many others of his generation—Edith Efron comes to mind among libertarians—Irving Kristol retreats into personal nostalgia as a substitute for tough-minded analysis of intergenerational change in a growing economy. What he does not see is that some things which might have been *necessary* in some period of time—necessary for survival, for continuity and personal stability—might *not* be necessary later on. When facts have changed, an ethic which is based upon facts must change with them—not in its fundamental tenets, but in its applications. Kristol's whole generation evaluates the young from the perspective of its traditional morality, a misshapen bundle of package deals. Kristol looks back on his youth, and criticizes today; his parents, no doubt Jewish immigrants, probably looked at young Irving in similar ways.

Now there are other things to be said. The welfare state, inflation, military scares, State "education," and a host of other State interferences with natural social relations have certainly helped to separate ethics from reality, character from authentic social needs. The irrational policies of our schools and our parents, in particular—the one destroying the capacity to formulate and pursue independent goals and purposes, the other not understanding that the way to deal with self-indulgence on the part of their wandering young is to let actions reap consequences, to let natural responsibilities take effect—are also contributing to the destruction

of actual positive character traits which Kristol and others value. The problem here is an all-pervasive one, and has no little to do with the confused, empty doctrines spread by an incompetent intelligentsia, which have sunken into every aspect of American life.

But all of this has nothing to do with the prosperity which capitalism has brought us—an admittedly crippled capitalism loaded down with parasitic encumbrances and with the gigantic dead weight of the State apparatus. It has to do with complex social and historical factors which badly need analyzing, and which Irving Kristol has oversimplified to the point of absurdity. His analysis is so sloppy that one suspects Kristol himself would be forced, on reflection, to label it a bit of "self-indulgence," or even abject "hedonism."

There is more to *Two Cheers* than this, particularly Kristol's analysis of the "new class" and its battle with business, but an analysis of that shall have to wait for some other occasion. There is also the problem of *providing* a moral defense for capitalism—something which, once done adequately, will help us to deal with the problem of the "new class." But that cannot be done in a book review. What is most important to understand here is that we should not be too eager to find in cultural trends any grave threat to capitalism when the truth may be precisely the opposite. It may turn out to be the case that the *real* opponents of capitalism and the free society—the *real* discontents—are those cultural conservatives who cannot live with diversity, and for whom tolerance of different forms of life is an unbearable strain. □

## H.L. Mencken: The critic as artist

G.E.B. CHARING

Prejudices: First, Third, and Sixth Series, by H.L. Mencken. Octagon Books, 254, 328 and 317 pp., \$13.

H.L. Mencken: Critic of American Life, by George H. Douglas. Archon Books, 248 pp., \$15.

The Superfluous Men: Conservative Critics of American Culture, 1900-1945, edited by Robert M. Crunden. University of Texas Press, 289 pp., \$14.95.

"THE MOTIVE OF THE critic who is really worth reading," Mencken wrote in 1921, "is not the motive of the pedagogue, but the motive of the artist." As much as any creative writer, that is, the critic is "simply trying to express himself. He is trying to arrest and challenge a sufficient body of readers, to make them pay attention to him, to impress them with the charm and novelty of his ideas, to provoke them into an agreeable (or shocked) awareness of him."

All these objectives Mencken himself realized far more fully and handsomely than any other critic in American literary history, save possibly his longtime friend and professional colleague, George Jean Nathan. And there can hardly be any question that in the narrower field of political and cultural criticism, Mencken arrested, challenged, impressed and provoked more readers during his career, and made more of them pay shocked, outraged attention to him, than any other such critic either before or since.

For the abovequoted remarks on criticism (pub-

lished first in 1921 in Mencken's book review column in *The Smart Set* and revised the following year for inclusion in *Prejudices: Third Series*) apply equally well to all kinds of criticism, whether of literature, the theatre, the arts, philosophy, politics or the culture. And there is every reason to believe the Sage of Baltimore intended to apply them to his own case. He described himself as a "critic of ideas". And in his criticism he was far less the teacher than the creative showman.

Take as a case in point Mencken's 1927 essay on "The Nature of Government" (Part 3 of "From the Memoirs of a Subject of the United States" in *Prejudices: Sixth Series*), in which the Great Libertarian argues that Government is properly apprehended "not as a committee of citizens chosen to carry on the communal business of the whole population, but as a separate and autonomous corporation, mainly devoted to exploiting the population for the benefit of its own members. Robbing it is thus an act almost devoid of infamy—an exploit rather resembling those of Robin Hood and the eminent pirates of tradition. When a private citizen is robbed a worthy man is deprived of the fruits of his industry and thrift; when the government is robbed the worst that happens is that certain rogues and loafers have less money to play with than they had before."

Contrast this passage with the following one, extracted from Murray N. Rothbard's 1965 essay "The Anatomy of the State": "Briefly, the State is that organization in society which attempts to maintain a monopoly of the use of force and violence in a given territorial area; in particular, it is the only organization in society that

obtains its revenue not by voluntary contribution or payment for services rendered but by coercion."

Now the chief difference between these quotations is not in their content, where they are virtually identical, but in their form. Mencken's formulation of the content is highly metaphorical; Rothbard's is

general idea of the fight of the individual against the State. In a word, we are expected to see the story of *We the Living* as a metaphor for the sorts of ideas we might seek in a different form in a place like Herbert Spencer's *Social Statics*.

Metaphor, the embodiment of abstractions in



Mencken—as captured by publisher and friend, Alfred Knopf

mercilessly literal. And this is precisely the difference, at bottom, between imaginative literature and any other serious writing. Imaginative literature is metaphorical. It presents us with particular persons, places, things and events which we are expected to see as symbolic representations of general ideas, as (to borrow Ayn Rand's phrase) "embodied abstractions".

In Rand's novel, *We the Living*, for example, we are presented with the particular tragic fight of Kira Argounova and Leo Kovalensky against the newly established Soviet state. But we are expected to see this fight as a symbolic representation of the more

particular, carefully chosen concretes, is the *sine qua non* of the novelist, the poet, the short story writer—of every imaginative writer. And this includes the essayist, in whose category the critic ordinarily belongs. As the novelist and short story writer make metaphors for human character traits and human action, as the poet makes metaphors for frames of mind, so the essayist makes metaphors for the process and content of thought. Not What literally is the State? but What is the State like? and What is it like to contemplate the State? This is the province of the essayist.

Robert Frost called Mencken the greatest



American essayist. And it is easy to see why. Mencken does not merely say the State makes its living by coercion. He concretizes the idea. He says the State is a corporation of rogues and loafers which exploits the population for the benefit of its worthless members. He says further that to rob the State is to commit the act of a Robin Hood, a noble pirate. And it is no mere coincidence that this last metaphor has since found its way, not into the writings of political philosophers and political scientists, but into the writings of fiction writers like Ayn Rand, who makes extensive use of it in her 1957 novel, *Atlas Shrugged*.

H.L. Mencken may not be America's greatest essayist (that title must belong to James Branch Cabell), but he is certainly among the most brilliantly accomplished artists ever to direct his attention to libertarian ideas. And the proof—if you are among those fortunate readers for whom the proof is still wanting and for whom all the Sage's marvellous books wait undiscovered—the proof is in the six volumes of *Prejudices* published during the 1920s by Alfred A. Knopf and recently reprinted in hardcover by Farrar, Straus and Giroux's Octagon Books.

Or try instead the choice excerpt from Mencken's *Notes on Democracy* (1926) which University of Texas professor Robert M. Crunden has reprinted in his anthology, *The Superfluous Men*. It lies in wait there with such other choice items as Ralph Adams Cram's "Why We Do Not Behave Like Human Beings" (which will not be every libertarian's cup of tea, but is nevertheless an important work in what might be called the tradition of misanthropic libertarianism, and should

be more widely known) and Albert Jay Nock's "Anarchist's Progress".

The only problem with Crunden's excellent collection, in fact, is its subtitle—and the intellectual confusion on which it is based. "Conservative thought has revived in the 1970s," he writes in his introduction, "Names like Daniel Boorstin, Edward Banfield, Irving Kristol, Nathan Glazer, Seymour M. Lipset, and Daniel P. Moynihan are simply too prominent in the 1970s to ignore."

But what has all this to do with Mencken and Nock? They too, it seems, are conservatives. "The most important single doctrine in the conservative frame of reference," says Crunden, "is that the best things in life are not political and cannot be obtained by political means. Conservatives generally have an acute sense of what makes life worth living, and they do not associate it with political activity. The business of politics is to keep the larger society functioning efficiently and invisibly, so that people may worship, write, create, cultivate, . . . do what gives their lives meaning."

The business of politics is to keep the larger society functioning efficiently? Is this an accurate characterization of Nock, who declares in "Anarchist's Progress" that "no State known to history originated in any other manner, or for any other purpose than to enable the continuous economic exploitation of one class by another"? Is it an accurate characterization of Mencken, who called government "an agency engaged wholesale, and as a matter of solemn duty, in the performance of acts which all self respecting individuals refrain from as a matter of common decency"? Precisely what do such statements have in common with the empty ponti-

fication of the likes of Kristol and Moynihan? Precisely how are these men "conservatives"?

Critics of American culture they are undoubtedly, however, and as such, artists, metaphorists. In explaining why the State should be regarded as an instrument of confiscation and oppression, rather than as a tool for insuring the public safety, Nock urges his readers to

Suppose vast numbers of people to be contemplating a machine that they had been told was a plough, and very valuable—indeed, that they could not get on without it—some even saying that its design came down in some way from on high. They have great feelings of pride and jealousy about this machine, and will give up their lives for it if they are told it is in danger. Yet they all see that it will not plough well, no matter what hands are put to manage it, and in fact does hardly any plowing at all; sometimes only, with enormous difficulty and continual tinkering and adjustment can it be got to scratch a sort of furrow, very poor and short, hardly practicable, and ludicrously disproportionate to the cost and pains of cutting it. On the other hand, the machine harrows perfectly, almost automatically. It looks like a harrow, has the history of a harrow, and even when the most enlightened effort is expended on it to make it act like a plough, it persists, except for an occasional six or eight per cent of efficiency, in acting like a harrow.

Surely such a spectacle would make an intelligent being raise some enquiry about the nature and original intention of that machine. Was it really a plough? Was it ever meant to plough with? Was it not designed and constructed for harrowing?

Nock, like Mencken, was an artist of liberty.

And literary artists, as every college graduate in the land must know by now, have become the province of academia. There is almost literally no

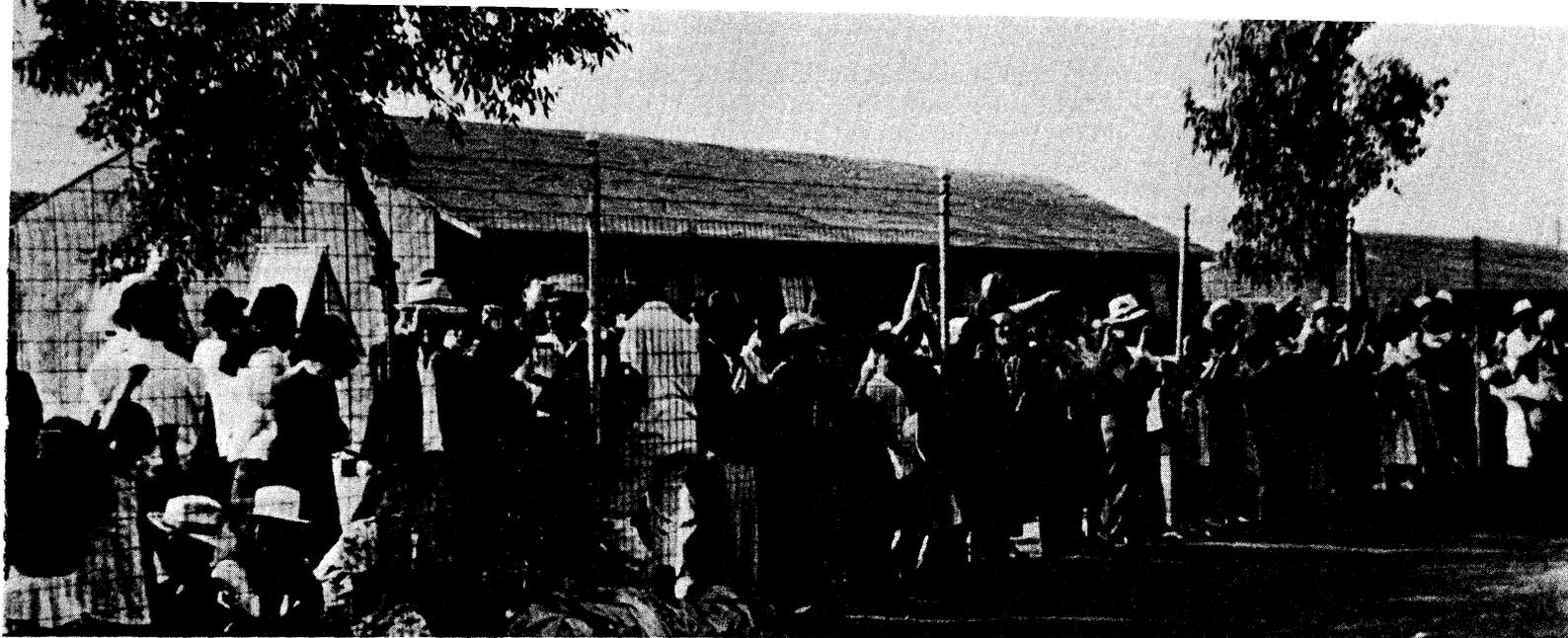
writer so obscure that some American pedagogue has not published a "study" of his work—a "study" which consists in the main of feeble, flat, and profoundly unimaginative paraphrases of the originals. One such "study" is professor George H. Douglas's new book, *H.L. Mencken: Critic of American Life*.

As his title suggests, the professor has correctly grasped the nature of Mencken's work (he was a critic) and its subject matter (the American culture). He has even grasped the metaphorical character of Mencken's method as a writer: in warning against the temptation of considering Mencken's essays "dated" because they treat of forgotten popular figures, he writes that "he was a man of ideas, of abstractions, and if he picked on a Bryan or a Harding it is because he could not have gotten across his ideas unless he wrapped all his abstractions in a concrete garb." Professor Douglas considers Mencken's political essays "among his finest achievements as a writer", and correctly understands that his political ideas derive from those of the "early American libertarians" who "were determined to establish a society which could survive and prosper with a very minimum of governmental interference."

But for all his grasp of his subject, for all his enthusiasm, for all his historical perspicacity, professor Douglas is a professor. And his book, alas, is at least four fifths unimaginative gloss. Ah well, as Mencken observed, the motive of the critic who is really worth reading is not the motive of the pedagogue. Professors of the world take heed.

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G.E.B. Charing is the author of *Unfinished Essays*.



"The American concentration camps were directed as an integral auxiliary of the wartime administration's propaganda machine, to firm support for the war."

JAPANESE AMERICAN CITIZENS LEAGUE

## Prison camps of the propaganda machine

JAMES J. MARTIN

Years of Infamy: The Untold Story of America's Concentration Camps by Michi Weglyn (introduction by James A. Michener). William Morrow and Company, 351 pp., \$5.95

ONE FEATURE OF World War II which went far beyond the wartime innovations of the previous half-century was the mass population transfers and large-scale incarceration of whole classes of people along racial and ethnic lines. World War I had seen extensive internment camps for civilians (there are still readers of e.e. cummings's *The Enormous Room*, but who today remembers Aladar Kuncz's *Black Monastery?*), though they did not rival the much larger and more conventional prisoner-of-war installations. But the imprisonment of civilians in the fray of 1939-1945 exceeded in scope anything ever before known. Thanks to unremitting propaganda still in full cry 40 years after the fact,

most Americans have at least a passing acquaintance with the German concentration camps of 1933 and after, though they held far, far fewer people than the much more numerous, older, and much larger ones operated by the Bolshevik-Stalinist regime in Russia.

The fate of half a million Volga Germans and many other peoples at the hands of the Stalinist regime during wartime has been aired in a variety of studies, though the subject of Soviet concentration camps was effectively smothered by the generally Red-sympathizing American literary establishment for a generation and a half, and only recently caved in as a consequence of the global attention it all received stemming from Alexander Solzhenitsyn's grim *Gulag Archipelago*. Until very recently, Americans preferred to be regaled with stories of the allegedly unique and exclusive German malfeasance. Their preferred model for a hated and all-pervading police force is still the 1933-1945 German *Geheimstaatspolizei* (Gestapo), not the much more ferocious and efficient and now 60-year-old Soviet Communist police machine, encompass-

ing the globe in its enterprises, by which standard the far more notorious German institution was little better than the sheriff's department an American county of some size might sport.

It is always more comfortable to dwell upon the failings of others, and the more distant they are, the easier it is to feel superior about it all. For that reason, whatever it may know about sin abroad, the general populace in the USA in this day is only faintly aware of the American participation in the business of mass population roundups and incarceration on the sole basis of ethnic or racial origin. Yet this participation has caused much distress among those few who have considered its impact in terms of historical and future legal consequences, let alone the somewhat more intangible effects of a psychological or psychic nature. The literature on the subject is already vast.

Those who pay attention to TV credits as they roll past at the conclusion of shows, and who watched the Perry Como Show for eight years, may dimly recall a credit which read "Costumes by Michi." This is the professional name of

Michiko Nishiura Weglyn, a Japanese-American woman of uncommon talents, brains and good looks. One of the nation's best at what she does best, theatrical costume designing, Mrs. Weglyn took time out from her expertly-written works on costuming, and related matters pertaining to both professional and personal grooming, to write a historical work on the experience of the American Japanese who spent the time of the noble Liberals' War, 1941-1945, expelled from their homes, stripped of all but their most simple belongings, and herded into ten bleak concentration camps from the California desert to Arkansas, for the duration. All 120,000 of them were locked up on a totality of evidence which, the anguished liberal legalist Eugene V. Rostow later admitted, would not have served to bring about a conviction for having stolen a dog.

The original projected title of *Years of Infamy* was *Days of Infamy*, but apparently a reverential editor thought that smacked too closely of reflection upon the adored departed master, FDR, who had employed the singular—"day of infa-

my"—in describing the Japanese attack on Pearl Harbor. Mrs. Weglyn's book is a contribution to the growing literature on the American experience in operating such camps (though, in the exquisite hypocrisy of American bureaucracy, they have always been described as "relocation centers"). A generation of works now streams behind us, beginning with the pioneer studies by the late Morton Grodzins and Louis Obed Renne, stretching on through other worthy labors by Anne Fisher, Allan Bosworth, Roger Daniels and half a dozen others of fairly recent vintage.

However, *Years of Infamy* is the first broad history (there have been several personal memoirs) by one who was actually among the incarcerated. Not only is it remarkably restrained (one sees almost nothing of this sort in the inflammatory works by those who spent some time in the European concentration camps) but it incorporates work based on sources not used by previous writers. (On the over 50 works on the subject so far the reader is directed to Raymond Okamura's impressive bibliographical essay in *Counterpoint: Perspectives on Asian America* [1976].)

The situation, boiled down to its essential, the plausible excuse for it all, concerned the likely behavior of the Pacific Coast's Japanese ethnics once war between the USA and Japan became a reality on Dec. 7, 1941. The panic and hysteria prevailing in the area from the Mexican border to Alaska at this time cannot be adequately described today. There were elements so unhinged by the Pearl Harbor bombing that they readily accepted the idea that a Japanese invasion of

the Coast was likely to occur momentarily, and that the entire area to the Continental Divide should be abandoned, and that a last-ditch stand be made against the Japanese somewhere in the mountains west of Denver. In general the fear of the next stages of the war with Japan was nowhere near that extreme, but it ballooned apprehension about the probable behavior of the resident Japanese in America, regardless of place of birth. Thereupon there grew the notion which led to the psychological support for the eventual expulsion of the entire Japanese populace from their Pacific Coast homes and their separation from \$200 million worth of hard-earned property, to be subsequently "relocated" in the miserable camps stretching from the California high desert to the extremities of the High Plains: the expectation that they would act as a supporting force to the coming Japanese invasion, or become an internal element devoted to sabotage and other interference and hindrance to the armed forces and the "war effort."

Perhaps part of this sentiment could be traced to those who had watched the civilian populaces of Europe since late 1939, which gleefully mixed it up with the armed forces of Germany in particular, in total contempt for the condemnation of such practices by the Hague Rules of Land Warfare. Theirs was the New Warfare introduced by the Communist regimes of Russia and China. It continues to be a serious factor in world politics to this day.

The strangest part of this affair was that an exhaustive report had been filed by a State Department agent, Curtis B. Munson, after a period of secret surveillance, the gist of

which was that there was not the faintest doubt but that the USA could depend upon the loyalty of the Japanese, citizens and non-citizens alike. Nevertheless, the decision and program to uproot and incarcerate them all went ahead, seemingly motivated by the vague expectation that they *might* do something in the future, anyway. That they had yet not done anything at all did not seem to matter. The model seemed to be a legal principle revived from the 15th century by the Germans in various regions they occupied in Europe, allowing for the imprisonment of persons in anticipation of their doing something hostile. Rafael Lemkin, the Polish-Jewish refugee lawyer who invented the ugly neologism 'genocide' in 1943, railed against the Germans for such a policy, but carefully ignored its American variant. The Germans undoubtedly had reasons for their variant of this precaution; the German General Staff charged that civilians committed from 1200 to 1600 acts of sabotage *every day* against the German forces, and the Soviet functionary P.K. Ponomarenko boasted after the war that civilians had killed 500,000 German soldiers while fighting in 'resistance' outfits under Stalinist discipline. But no American Japanese was ever convicted of sabotage or of killing any American soldier.

A major departure in *Years of Infamy* is a willingness to fix responsibility for the decision to destroy the Japanese-American community on the mainland (the Hawaii-dwelling Japanese were only incidentally bothered) and lodge them in these incredibly desolate and dreary internment camps for nearly five years. There has always been a strong

tendency to fog over and smudge the subject of responsibility, and to scatter it about in such a blurred manner that most readers have emerged from earlier works with the conclusion that "it all just happened." There did not seem to be much of anyone discernibly identified with the decisions which went into this political wartime trauma. Like Pearl Harbor, blame usually is assessed, if at all, upon a lower echelon of officials who obviously were carrying out orders from superiors, not inventing policy. For once we have in the case of Mrs. Weglyn's approach an effort to trace the decision-making process up the pipeline to the top. And the heartburn *that* has created among the surviving generation of affluent and powerful liberal inheritors of domestic and world influence and dominance has been extensive. This is evident from the tremulous and penitent introduction by James A. Michener, and from the testimonials of a similar nature appended to the jacket of the first edition by the likes of Edwin O. Reischauer, Dore Schary, William Manchester and Carey McWilliams, all of which reinforces much of the earlier distress and agony of Rostow in his memorable *Harper's* article of September, 1945.

The preposterousness of this entire operation becomes more evident as time passes, and as it is examined by those not even born when it happened. The part played in the carefully nurtured war hysteria by the Roosevelt war administration propaganda machine has to be considered, as well as some idea of the nationwide campaign of Japanophobia which had never subsided in the interwar decades, and was further inflamed by the Pacific Coast press during that time.

Rounding up a racial community as distinctive as the Japanese was relatively easy. Not only were they plainly incapable of concealing their physiognomy, there were not very many of them, and they were almost all concentrated in one part of the mainland. (Left to the lay public, perhaps all other Asiatic minorities might have been included; Chinese played Japanese villain roles in wartime movies, and it was a rare viewer who might have been able to tell the difference.)

Of course, the Japanese were a very small fraction of the total of "enemy aliens" in the USA and its possessions. Attorney General Francis Biddle estimated there were 1,100,000 in all, counting Puerto Rico and the Virgin Islands, when he directed them on Jan. 1, 1942 to surrender all their firearms to local police authorities by 11 p.m. January 5. But the sweeping order to round up the entire Japanese community later led to the inclusion of approximately 70,000 Japanese *who were American-born citizens*, not aliens at all. This made this aspect of the "internal security" program of the Roosevelt regime quite distinct from anything else related to it. There *were* camps which housed small numbers of German and Italian aliens in the USA, contrary to most illusions about that part of the affair, but a roundup of all of them would have been a matter far too exhausting for the authorities. Not being racially distinct from the run of American white citizens, the effort to locate them without the aid of a vast organization of informers would never have made it. (Speaking of this subject, has it ever occurred to the reader how the Nazi authorities were

able to establish who the Jews were in the areas of Europe under their control, and how many they missed?)

In one notable respect, Mrs. Weglyn does not flinch from direct attribution of the whole Japanese internment program to

could match his Sinophile predilections, which was the positive side opposing his Japanophobia (John T. Flynn has done a capable job of outlining the 19th century Roosevelt Chinese Connection). Nevertheless, it is long past the season when blurout-artists can

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## **"The guards in the American concentration camps could easily have made the transition to similar employment in Germany or Russia."**

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where it has always belonged: squarely on the doorstep of President Roosevelt. For once the standard liberal evasion of blaming it all on "public opinion" in California, the Army colonel who wrote the executive order authorizing it, the Army general who administered it, and the entire category of diversionary figures which might divert attention from the White House, is bypassed. For once there is no irritating masking of the basic act. As Mrs. Weglyn bluntly puts it, "In short, Roosevelt's Executive Order 9066—and the exclusion-internment program which grew out of it—" is where to start looking. This act she goes on to describe as "nothing less than a rash, deliberate violation of the Constitution."

This insistence that there be no more circuitous wheeling about the central fact is refreshing, though the ascription of the program to 'racism' may be overdrawn. Roosevelt hardly held a position of superiority pretensions toward all Asiatics; few

wail that FDR was 'badly advised' about the program, and several other people are blamed for it all. Mrs. Weglyn has quite firmly closed the door on this ploy. It surely demolishes the limits of credulity for mouthpieces of executive puissance to maintain that the man at the head of a global war machine which saw him authorize the enrollment of 14,000,000 Americans into its armed forces, and stand at the head of an operation which spent in excess of \$400,000,000,000 in the prosecution of that war, suddenly became so feeble, distracted and powerless as to be unable to prevent such a shameful and unnecessary caper as the Japanese-American incarceration adventure. The fact is that this program was directed as an integral auxiliary of the wartime administration's propaganda machine, and its encouragement of civilian sentiments was an adjunct to the firming of popular support for the war.

And where were all the pundits, including Walter Lippmann, and the big newspaper and radio

mouthpieces, the fat, comfortable, affluent and prestigious, the war profiteers, and the looters of Japanese-American property, the big legal eagles and the professional liberal warriors, so quick to belabor in dismay at injustice abroad? Almost all of them were squarely behind the administration Japanese lockup program, approved almost unanimously by Congress in a voice vote maneuver to disguise later pinpointing of personal positions. As usual, the sole voice criticizing the enabling legislation which put flesh on FDR's executive order was Senator Robert A. Taft of Ohio, who called it "probably the sloppiest criminal law I have ever read or seen anywhere," though even Taft shrank from attacking the basic program, which he saw as one for the control of "enemy aliens." But he was fully aware of its capacity for injustice. But the opportunities for hypocrisy were never all dissipated. Carey McWilliams, later editor of the liberal bible, the *Nation*, wrote piously upon witnessing a train of Japanese being shipped out to Tule Lake in the fall of 1943 that he wished the entire membership of one of the California "nativist" organizations were there with him to witness the misery and anguish being caused these people. I also witnessed a trainload of Japanese expellees, departing from the Los Angeles Union Station in the late summer of 1942, and I would have liked as *my* fellow witnesses a lot of McWilliams's liberal buddies, who, like the conservative patriots, were wholly supportive of the expulsion.

There are several topics concerning this subject which receive special treatment at the hands of Mrs. Weglyn. Not only is the

Munson Report and its total avoidance by officialdom properly memorialized for the first time; generous attention is given to the scratching and clawing among the State, War, Navy and Justice Departments to run the deportation/internment operation. Still another aspect finally given its proper attention is that which looked upon this mass apprehension of the American Japanese as a look-ahead hostage pool, considering them as possible exchange bait for caucasian Americans stranded in various Asiatic locations in the hands of the Imperial Japanese armed forces. And then there is the tale of involvement of a dozen Western hemisphere states cooperating with the USA in also locking up their tiny numbers of Japanese subjects and aliens. Paraguay acted with alacrity and jailed its two Japanese, while Peru sent many of its to the USA for internment, which amounted to American jailing, not of aliens of Imperial Japanese affilia-

tion, but of aliens of a friendly country! To such an extent did the lunacy, if not the pathological criminality, of this program proceed.

As far as the personal domestic experience of the Japanese Americans in these camps is involved, Mrs. Weglyn shows an almost monastic reserve in treating of it, and a detachment which is most remarkable, in view of her own presence in the camps as a teenager ripped up from life in California and deposited into the howling inferno of the southern Arizona desert wilds (the amenities so common there today did not exist there over 35 years ago, as I can testify from thousands of miles of railway travel back and forth across the entire area in 1942-1943.)

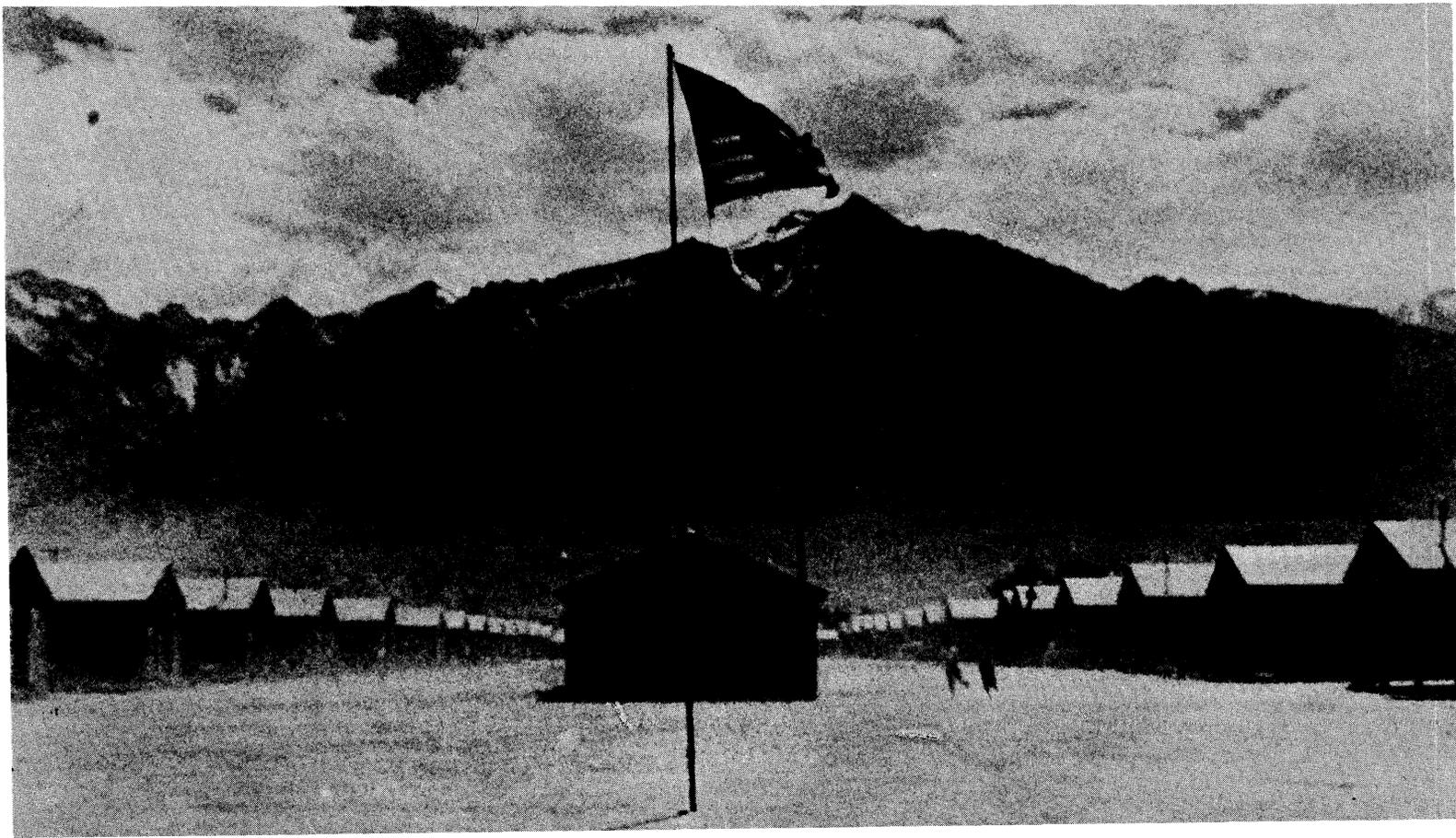
As far as the internal operation of the camps is concerned, there have been several memorable personal accounts. The outstanding contribution of this book in that regard is the solid chapter on the Tule Lake camp and its

many complicated ramifications, surely a monument to the extremes to which native administrative bureaucratic mismanagement can go. The people responsible for that narrative could easily have made the transition to similar employment in Germany or Russia (or in France or England, for that matter, both expert in running World War II concentration camps,) given the opportunity. (It was Tule Lake which furnished the background for John Okada's bitter but memorable novel, *No-No Boy*.)

This is an expertly-turned work, even if here and there Mrs. Weglyn has employed flowery phrasing not customarily encountered in works of academic "objectivity." Especially appealing to this writer, fond of informative source notes, is the fund of elaboration in the documentation, as well as the file of revealing photocopied documents, lodged, for some mysterious reason, not at the end of the text, but between the

eighth and ninth chapters. Among them: Late in the summer of 1943, the bureaucracy created to run the camps, the "War Relocation Authority," adopted a program of selective release or "leave clearance," for some detainees. They were required to answer a fantastic questionnaire during their interview when it was sought to determine their acceptability for this leave of absence. My favorite is the following: "Can you furnish any proof that you have always been loyal to the United States?" Shades of *Fragebogen*, indeed.

My growing favorable disposition toward amateur historians, after a lengthy and sustained unhappiness with most of the professionals in Clio's lupanar, may have led to excessive appreciation of *Years of Infamy*. But I will consider that possible reservation when I see one of the guild of the *historikers* do a better job on this subject than has Michi Weglyn. And let no one who has never been



hungry and friendless, yanked free from one's home and associations, for having done nothing at all, and abandoned to bake and desiccate in a sun-roasted and sandstorm-assaulted nightmare-nowhere, issue any smug disclaimers about the author's credentials for producing such a book as this.

**James J. Martin is the author of *Men Against the State, American Liberalism and World Politics, Revisionist Viewpoints, and The Saga of Hog Island*. He is a frequent contributor to LR.**

## Letter from a science fiction fan

PATRICIA WINTER

*Enemies of the System* by Brian W. Aldiss. Harper and Row, 119 pp., \$7.95

DEAR JEFF:

The science fiction fan in me read Brian Aldiss's *Enemies of the System* in a growing snarlymean fit. Too much talking. Not enough story. Just piddling glimpses of the giant, entrancing, three-weeks-reading, fat, lovable novel it could have been. I was ready to throw the book into the disintegrator when another part of me, the ideologue, took over and reread the damned thing.

"They embodied their discomforts in new metaphysical monsters," writes a character in the book, an historian, "—even in whole populated planets full of them. As we know such things cannot exist, but their imaginations were wild with discomfort. They also dreamed of perfect machines, things of metal which would not suffer from their internal disabilities."

Aldiss's historian is talking about us—the muddled late twentieth century

model of *homo sapiens*. He is himself human, but he is not a member of *homo sapiens*. He is a member of a descendant species, *homo uniformis*, and of a social system which works so well it has held consistent cultural control for a million uninterrupted years. The system is communistic. The technology which makes it possible is called Biocom. It's a device implanted in each individual's body at birth, an automatic device which keeps the individual's "primitive ego defense mechanisms" shunted into an artificially induced gestalt state which seems to be telepathic.

In such a physiologically communistic system, only the freethinking, freeacting individual poses any real threat—unless there is some cosmic anteater out there to level the cosmic human anthill made possible by Biocom. And apparently there is no such outside threat. Then a group of the system's elect gets itself stranded on an endless, primitive, desert planet. It might be an accident. It might not be. But communication with the system is broken. And their Biocoms have begun failing them.

Meanwhile we learn that these castaways are not the first. A million years or so before, when *homo uniformis* was first being perfected, a group of *homo sapiens* had crashed in this desert and mostly perished. Their descendants live here still, practicing a debatable kind of cannibalism and a religion based on space travel. The stranded *homo uniformis* elite is captured by some of these descendants. Cut off from their civilization, the biochemical communists begin quarreling among themselves.

But wait a minute! the ideologue in me wants to cry out. Is the idea behind this featherlight outline for

a novel that individualism leads always to conflict and communism is impossible except through technology so advanced it can literally change human nature? Well, maybe not. Aldiss gets his story over with so soon after dropping his *homo uniformis* into his situation, there's no chance to see them interact with the primitives for any substantial length of time. But what time we do see them together leaves us with the distinct feeling that the author sees only folly in his biocommunicistic species.

Then there's that mysterious business near the end of the book about how human beings of the twentieth century "embodied their discomforts in new metaphysical monsters." As nearly as I can make out, the "metaphysical monsters" in this quotation are things like religion, government, philosophy, literature, even science fiction—things invented by *homo sapiens* to divert, redirect, and relieve those internal conflicts in each of us. And the implication would seem to be that it's not biotechnology but the arts and humanities which can civilize human beings, by placating "the ghost in the machine."

The problem with *Enemies of the System* is precisely that it is only implicit (and only vaguely so), never explicit about what it means. And since it consists largely of long-winded speeches by sketchy characters, what it means would seem to have been the point of writing it (or should that be dashing it off?) in the first place.

Regards,  
Pat Winter

Patricia Winter reads science fiction division of Pinnacle Books. Her own sf has appeared in *Analog, Infinity, and Magazine of Fantasy and Science Fiction*.

## The economic consequences of Mr. Keynes

RICHARD EBELING

*Democracy in Deficit, The Political Legacy of Lord Keynes* by James M. Buchanan and Richard E. Wagner. Academic Press, 195 pp.

*The Fallacy of the Mixed Economy* by Stephen C. Littlechild. Institute of Economic Affairs, 86 pp., \$4.95

IN HIS 1752 ESSAY ON the dangers "Of Public Credit," David Hume warned his readers that "it is very tempting to a minister to employ such an expedient, as enables him to make a great figure during his administration without overburthening the people with taxes, or exciting any immediate clamors against himself. The practice, therefore, of contracting debt will almost infallibly be abused, in every government. It would scarcely be more imprudent to give a prodigal son a credit in every banker's shop in London," Hume insisted, "than to empower a statesman to draw bills, in this manner, upon posterity."

For this reason, the classical economists argued that only the strong and constant pressure of public opinion against such practices could prevent the ballooning of governmental expenditure and deficits. This was most clearly expressed by James Mill in his 1808 essay, *Commerce Defended*. "One of the most powerful restraints upon the prodigal inclinations of government," Mill declared, "is the condemnation with which expense, at least beyond the received ideas of propriety, is sure to be viewed by the people. But should this

restraint be taken off, should the disposition of government to spend become heated by an opinion that it is right to spend, and should this be still farther influenced by the assurance that it will by the people also be deemed right in their government to expend, no bounds would then be set to the consumption of the annual produce."

Throughout most of the 19th century, the rule of balanced budgets and suspicion of increases in government expenditures were the governing ideas among both the general public and the liberal intellectuals. The principles remained dominant, *at least in theory*, into the 1930s. But following the Keynesian revolution, the climate of opinion began to change, until now the point has been reached when the rule has become budget deficits and it has come to be expected that an increase in the share of the national income absorbed by government is a normal annual event.

Why Keynesian economics has had this influence on fiscal and monetary policy in the western world, and in America in particular, is the topic of a recent study by James M. Buchanan and Richard E. Wagner entitled, *Democracy in Deficit, The Political Legacy of Lord Keynes*.

Buchanan and Wagner first explain the idea behind the "Old-Time Fiscal Religion" and its emphasis on annual balanced budgets, with occasional exceptions during wars or national calamities. Even when unusual circumstances resulted in a budget deficit, the usual procedure following the emergency was to run a series of budget surpluses and retire the public debt. The guiding idea behind this policy was the belief that public and

private finance were analogous, that what was prudent conduct for an individual—spending within one's income—was equally prudent for government. And while this "fiscal constitution," as Buchanan and Wagner call it, was never written into any formal set of rules, "it was, nevertheless, almost universally accepted."

Keynesian theory, however, overthrew the underlying moral concept behind the fiscal constitution. It made the argument that a major distinction existed between private and public finances. It claimed that the function of fiscal policy was not to balance the budget over an arbitrary calendar year, but to use fiscal and monetary manipulations to balance the supposedly unstable market economy over the stages of the business cycle. During depression, budget deficits would lift the economy out of the trough. During inflation, budget surpluses would dampen the excesses of the private sector.

Ah, but there's the rub, insist Buchanan and Wagner. What sounded beautiful in theory, under the assumption of an all wise and all knowing small elite of "economist-kings" making policy decisions, soon turned into a nightmare in a political democracy in which elected officials constantly had the incentive to sell budgetary favors to special groups in return for votes, but rarely had any incentive to limit expenditures in the interests of society as a whole.

Indeed, as the authors point out, the idea that political institutions might influence the direction of policy never seemed to enter the early Keynesian world-view. Keynes, they explain, "was an elitist, and his idealized world embodied policy decisions being made by a small and

enlightened group of wise men." To the extent that such political institutions might have interfered with his desired policy, Keynes "would have been quite willing to jettison such institutions, regardless of their history and of their traditional roles."

To demonstrate Keynes's pragmatism toward institutional settings, the authors quote from the famous foreword that Keynes wrote for the German edition of *The General Theory*, in which he emphasized to his Nazi readers that "the theory of output as a whole, which is what the following book purports to provide, is much more easily adopted to the conditions of a totalitarian state, than . . . conditions of free competition and a large measure of laissez-faire."

Why has the elimination of the fiscal constitution generated this tendency for perpetual budget deficits? In a situation in which every government expenditure must be matched by an explicit and equivalent amount of taxes, it is fairly clear to all concerned what the real costs of a government provided service entail. An estimate can then be made on the part of taxpayers—who will directly pay for the services—whether they are worth it. But once the expenditure-revenue link is broken, a "fiscal illusion" is created in which a benefit seems obtainable without a clear vision of the true costs. "Deficit financing creates signals for taxpayers that public services have become relatively cheaper," say Buchanan and Wagner. "Because of these signals, voters will demand a shift in the composition of real output toward publicly provided services (including transfers)."

In effect, a combination of political institutions in which votes and group

privileges are bought and sold with a fiscal arrangement that tends to hide the real costs of government activities has created an environment of bloated government and inflationary deficits financed through money creation.

Given their diagnosis, the prescription that Buchanan and Wagner suggest follows quite naturally: a *real* and *formal* fiscal constitution should be established that requires balanced budgets, with automatic mechanisms to compensate for unanticipated deficits and surpluses.

It is important to realize that in their analysis, Buchanan and Wagner are concerned with political *procedures* in a free society, rather than with the political *substance* of a free society. If, in a balanced budget framework, a majority of voters were to vote for government provision of services or subsidies, they would have nothing to say about the matter. What they wish for is a fiscal arrangement in which the "real costs" of government actions will be taken into account. They seem to believe that a weighing of those costs will tend to make voters leery of extended governmental activity.

And it should be acknowledged that it is obvious throughout the book that the authors are, themselves, critical of government growth and intervention and in a number of places refer the reader to the "Austrian" analysis of how monetary and fiscal manipulations distort relative prices and bring about a misdirection of resources.

Though Buchanan in particular has emphasized that important distinctions exist between the market for private goods and the market for public goods, the essential issue has been left

undiscussed in this book. That issue, of course, is the legitimacy of a system that allows the trading away of individual rights via political coalitions, as if human liberty were a commodity indistinguishable in principle from apples and pears.

The problem behind the growth of government cannot be tackled by fiscal "constitutionalism," alone. Our era of run-away budget deficits is ultimately the product of a political mentality that views the State as a legitimate agency to acquire privileges and power by taking from those who are economically weak and/or lacking in political cunning.

The reason why unwritten fiscal constitutionalism worked so successfully throughout most of the 19th century was that the prevailing ideology then was one of individual freedom and limited government. Indeed, limitations upon governmental mischief were required ingredients in a philosophy of human freedom, for every extension of the State into the affairs of society was necessarily seen as an encroachment upon someone's liberty. When belief in liberty began to be eclipsed by belief in democratic despotism, it was to be expected that adherence to the minimal state and budgetary discipline would soon disappear from the political arena as well.

It has long been understood that a written constitution has the effect of limiting government only so long as it is unnecessary to invoke it. Once the principles embodied in the document are no longer generally believed in and upheld, it becomes nothing more than a worthless scrap of paper with just so many words on it.

A fiscal constitution will serve no purpose—in the sense that it will tend to be

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circumvented—until the belief is overthrown that some have the right to take by force what others choose not to voluntarily give or trade away. And, paradoxically, when that belief is overthrown a formalized fiscal constitution will no longer be necessary.

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The disastrous consequences of world interventionism have brought into question all of the tenets upon which government regulatory and planning policy has stood. It is slowly coming to be realized that a new foundation for economic theory and policy is in order.

The major concepts and implications of this new economics have recently been summarized for the general reading public by Stephen C. Littlechild in *The Fallacy of the Mixed Economy*. As its subtitle suggests, this book offers "An 'Austrian' critique of economic thinking and policy," and does so in a clear and refreshing style that will certainly make it worthwhile reading for economists of all schools and persuasions.

After explaining who the "Austrian" economists are, Littlechild describes the three guiding principles of the "Austrian" or praxeological method: *methodological individualism*, the insistence that all complex social analysis be built up from analysis of the choices and actions of individual actors; *subjectivism*, the realization that meaningful economic analysis requires insight into how these actors perceive and interpret the world around them in the form of costs, benefits and opportunities; and the *spontaneous order*, the understanding that interpersonal activity in the market place often produces a pattern of social

and economic coordination far more complex than any "planner" could ever hope to impose.

The coordination of a multitude of individual human plans occurs through the market process. Here knowledge is disseminated and absorbed, and individuals discover whether the information they possess is valid or erroneous and what changes are in order if they are to achieve their particular goals through interpersonal activity and exchange.

The "Austrian" tools of analysis are easily used by Littlechild to show why the interventionist state is unstable and offers no alternative to a free market economy. He discusses the valuable function and role of the competitive process, the reasons for the failure of the nationalized British industries, the importance of carefully delineated private property rights, and the impossibility of national planning.

Perhaps overly conscious of the peculiar social and economic ideas dominant in England, Littlechild is reluctant to explicitly advocate the dismantling of all government control and regulation in the economy. Rather, he usually proposes to either allow private firms to compete with the established nationalized industries (thus breaking the State's monopoly hold over any sector of the economy) or to inject "Austrian" insights into the management of the nationalized industries, so as to make them more efficient.

It is certainly questionable whether either set of policies can assure the complete demise of State intervention in the economy. Allowing alternative firms to compete against the nationalized ones most probably would benefit consumers. However, the losses the nationalized

firms would almost certainly suffer—even with "Austrian" efficiency suggestions—would probably be merely made up through taxes, so as to "save" jobs and maintain political leverage.

But regardless of his delicacy when addressing policy proposals, Littlechild has written a valuable introduction to the Austrian School, for economists, politicians and the general public.

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Richard Ebeling is a graduate student in economics at New York University and a frequent contributor to LR.

## The ultimate origins of the mideast conflict

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JOANN ROTHBARD

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*The Ottoman Centuries: The Rise and Fall of the Turkish Empire* by Lord David Kinross. William Morrow and Company, 638 pp., \$18.95

THERE ARE PEOPLE alive today who remember the Ottoman Empire, and yet it seems to most students almost as remote as the Byzantine or Roman Empires. Although Constantinople fell to the Turks in 1453, centuries before the nation states of Europe came into existence, tensions are still felt in Europe today that are the result of the Ottoman presence in the 19th and early 20th centuries, when it controlled parts of three continents, and was the premier upholder of the Moslem faith in the world.

This book, written by the late Lord Kinross, begins in the 9th century when the Turks, driven westwards by the Mongols, first began to be converted to Islam as they

clashed with armies of the Abbasid Caliphate, which was then conquering the Persian Empire. Impressed with the warlike qualities of the Turks, the Muslims recruited them into their army and by the end of the century Moslem Turks held most of the posts of command and many political offices in the Arab empire. As the Abbaside empire waned, the Seljuk Turks waxed and extended their power over Persia, Mesopotamia and Syria, and were no longer nomads, but became empire builders.

However, this did not mean that the Turks were not still expanding, and in 1071 the Ghazi warriors decisively defeated the armies of the Emperor, Romanus IV Diogenes, in the battle of Manzikert, a straw in the wind for the Greeks, who were now fighting religious wars in two directions—the Latins in the west and the Moslems in the east.

The Seljuk Turks were also being harassed on their flanks by the Mongols, and in 1243 were defeated at Kosedah. The Seljuks lost their capital of Konya and the Sultan became a Mongol puppet. However, there were many other Turkish tribes in the west, and one of them, the tribe of Osman, rose to be rulers and founders of the Ottoman empire.

The institution of the Ottoman state began to emerge under Osman's successor, Orhan, during the 13th century, with silver coins, a council of state and a distinction between civil and religious officials on the one hand, and military officials on the other.

So successful were the Ottomans in southwestern Europe that Pope Urban V called for an alliance of Serbians, Bulgarians, Hungarians, Walachians and Bosnians to meet the Moslem menace. Urban's

forces were unsuccessful, as was the crusade called by Pope Boniface IX in 1394. The Turks got huge ransoms for noble crusaders.

The Ottoman empire began to reach a peak with the reign of Mehmed II, in the mid-15th century. Although he was known as "The Conqueror" for the conquest of Constantinople, and for his military victories against the Safavids, the Venetians, the Genoese, and the Walachians, his ambitions in the Balkans were not entirely realized. Belgrade was unsuccessfully besieged, Serbia only became a province and Albania was in a constant state of rebellion. However, it was in statecraft that Mehmed II made his largest impact. He strengthened the Janissary corps—the non-Turkish troops responsible only to the Sultan. He founded the Palace school to train Muslim children of Christian slaves to be civil servants. And finally, he founded the medresses to train the muftis and mullahs, and since the law of the empire was Islamic law, judges were trained at a medress, or theological college.

The military victories sought by Mehmed II were more than accomplished by Suleiman I in the 16th century. During his reign of 46 years, the Empire reached its zenith. So successful was Suleiman in the Balkans, capturing Belgrade, Budapest, and Transylvania, and even besieging Vienna, that after 1547 Austria paid tribute to the Empire. The Turks were equally successful in the Aegean and the Mediterranean, and in Iraq, where Baghdad was taken. Once more the Safavids were attacked and subdued.

Because most Sultans had many sons by many women, succession was complicated, usually ac-

companied by many stranglings, the accepted way of getting rid of rivals, and by much intrigue by the mothers of the possible successors. The strangling of a son was followed by the disappearance of any woman who might produce his heir. These women, sometimes as many as 20, were sewn into bags and thrown in the Bosphorus. The favor of the Janissaries was, naturally, fervently sought by the possible successors.

During the 17th century, the Janissaries became a hereditary body, and were thus an internal political force rather than the army

encouraged by England, gave legal, social, and political rights to all Ottoman subjects regardless of religion. This made it unpopular with the Moslems, who firmly believed in their moral superiority and thus in the inferiority of all other religions, and who objected to separation of legal rights from religion. These reforms were suspended at the time of the Crimean War. The Russo-Turkish War ended with the Treaty of Berlin in 1878, which continued the dismemberment of the Empire. Bulgaria, Serbia and Rumania became self-governing, Austria became

was proclaimed by Mustafa Kemal, known as Ataturk, leader of the reforming Young Turk movement.

The fascinating history of the Ottoman Empire ends at this point in this sprightly, well written book. If you don't know who won the battle of Lepanto, for instance, Kinross's description of the fighting will urge you along to find out who the victor was. It is, however, a book for the layman, not the student. There are no notes, and Kinross misses subtleties of Ottoman history, as well as ignoring the insights of recent scholarship. For example, he nowhere mentions the persistent Shi'ite fifth-column within the administration for most of the 16th century, well documented in recent Turkish studies, which contributed to the war of 1578-90 against Persia. Kinross also tends to overplay political history and slights religion and economic and social history.

There are five maps in the book and a large number of good black and white pictures, happily spread throughout the book, rather than bound in one section. The index is large but has a number of important omissions—the words Shi'ite, Sunni, as well as many others which should be included, do not appear.

However, probably the gravest omission in the book consists of the Select Bibliography. It consists of a mere thirty books—all secondary sources, and mostly out of date. One has no clue where Kinross really did his research, and the student interested in reading more in Ottoman history is not led to primary material, monography or up-to-date sources.

The Ottoman empire is gone, but it is not forgot-

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**"Battles have been fought in 1978 over land which Palestinians have worked for centuries, but which belonged to absentee Ottoman landlords until 1919."**

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dreaded by the foes of the Turks. The Empire declined throughout the 17th century, and in the early 18th century Russia, which considered itself the successor to Orthodox Byzantium, declared a Holy War on the infidel Ottomans. This war culminated in the Treaty of Kuchuk Kainarji in 1774. The Black Sea was no longer an Ottoman lake and Christian subjects in the Balkans had freedom of worship, and Russia had the right to intervene on behalf of the Christians.

More and more the Empire was manipulated by European powers, especially during the Napoleonic Wars. In 1816 Serbia almost gained its independence and in 1830 Greece became independent, and the Turks also lost Rumania and Egypt, and a year later Syria was also lost to Mohammed Ali, the ruler of Egypt and former Ottoman Governor.

The period of the Tanzimat, begun in 1839 and

the protector of Bosnia and Herzegovina, and England got Cyprus. The long, complicated, and bloody saga of the Turks and their Armenian subjects is well detailed by Kinross.

During the next three decades, European imperialism supplanted Ottoman imperialism throughout the empire. France conquered Algeria and Tunisia, England occupied Egypt, Tripoli came under Italian influence, and Germany went into Anatolia itself to reorganize the Turkish army and to build the Berlin-Baghdad railroad. And we find the Turks, now pawns of England, in the anomalous position of defenders of Western Civilization against Russia.

The first decade of this century the Balkan wars continued, leading to World War I, and the end of the Empire. The last Sultan, Mehmed VI was exiled, and on October 29, 1923 the Turkish Republic

ten. In 1978 battles have been fought between Palestinians and Israelis over land which Palestinians worked for centuries, but which belonged to absentee Ottoman landlords until 1919. To the extent that Zionists bought any land, it was bought from the Ottoman landlords, rather than the rightful owners. Thus, in some measure, the Arab-Israeli war is the fruit of Ottoman imperialism.

JoAnn Rothbard is a frequent contributor to LR.

### Illegal eye view

The *Illegals*, by Grace Halsell. *Stein and Day*, 216 pp., \$8.95

SHE TAKES OFF HER shoes and dress and puts them in a plastic bag. Then she enters the muddy waters of the Rio Grande.

The sun has just set, but some pink light still remains in the sky. As she stands ankle deep in the water, her male companion reminds her to keep silent and not to be afraid; she must not panic if she meets a swift current in the middle of the river. They swim to the opposite shore and climb a steep embankment. After exchanging their wet clothes for the dry ones in the plastic bag, they hear a noise overhead. Afraid it is a plane of "La Migra"—Immigration—they duck into some brush where they lie silent for half an hour. Finally they begin their journey into the "Promised Land". He is returning to a Dallas restaurant where he works as a dishwasher; she is back in her home state of Texas. He will be hunted like a fugitive; she will not. He swam the river for a job; she risked her life to learn what it's really like to

be an illegal alien.

This is not the first time author Grace Halsell has taken risks and disguised herself to gather information and atmosphere for her books. For *Soul Sister*, she dyed her skin black and lived in Harlem. For *Bessie Yellowhair*, she became a Navajo. Now, for *The Illegals*, she crosses the Mexican-American border three times without identification papers or money and uses her fluency in Spanish to become a Mexican "alien".

But Halsell actually presents a double perspective in *The Illegals*, that of the Mexican alien and that of the U.S. citizen. She pays lengthy visits to three ports of entry—Tijuana, El Paso, and Reynosa—as a Mexican alien crossing illegally, then as a U.S. citizen, a journalist, making the rounds with immigration agents looking for "mojados" (wetbacks). In

her role as journalist, she also tours detention centers around the country, and talks to President Carter's Commissioner of the Immigration and Naturalization Service, former Houston politician Leonel Castillo.

And everywhere this George Plimpton of investigative journalism uncovers eye opening facts: The fact that it is only the brown-skinned who are harassed by immigration officials. The fact that most illegals do not wish to remain permanently in this country; they have come only to work for a time and escape the phenomenally high unemployment of Mexico and Central America. The fact that the illegal problem is a direct result of the bracero farm labor program of the World War II period, in which the same government which now forbids immigration actively recruited Mexicans to

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come to this country to work in the fields. The fact that the U.S. spends at least \$250 million a year arresting, deporting, and imprisoning people who want to be dishwashers, domestics and field hands—who want jobs that Americans do not want. One farmer tells Halsell that he tried to employ Americans for such jobs by using employment agencies and newspaper advertising. He says he even tried five welfare recipients once, but later found them sitting in a car listening to the radio instead of working. He now employs illegals, as do all his neighbors in New Jersey.

The plain truth that emerges from *The Illegals* is that money, detention centers, and sophisticated electronic surveillance will not ebb the flow of hispanic aliens. As long as there are jobs in the U.S. and people below the border desperately in need of those jobs, they will risk their lives to come.

—LESLEE J. NEWMAN

## Schnepper, Eastman and Goss

Inside IRS: How Internal Revenue Works (You Over), by Jeff A. Schnepper. Stein and Day, 240 pp., \$10

EASILY THE MOST fascinating thing about this book is the last paragraph of the news release from Stein and Day which accompanied my review copy. That paragraph reads:

“Mr. Schnepper in radio, TV, and newspaper interviews will be presenting a very simplified tax reform program that grew out of the preparation of *Inside IRS*. His plan would reduce the taxes actually paid by most individuals

and corporations, yet produce more—not less—revenue for the government [sic]. The Schnepper Plan would also reduce the costs to government, individuals, and corporations by billions of dollars worth of paperwork.”

Why oh why is the Schnepper Plan not included in the Schnepper Book? To leave his readers in such suspense! But the book does contain hints as to what sort of plan the Schnepper Plan probably is. As the news release suggests, Schnepper hasn't yet hit upon the idea of abolishing the IRS altogether; he wants to “reform” it instead. And he proposes one specific reform in the book—a reform designed to rid us of the problem of IRS agents who harrass and terrorize taxpayers: “Perhaps what we might do,” Schnepper writes, “is follow the example of the government in Manila. The Philippines Bureau of Internal Revenue has decided its employees must pass a neuropsychiatric test before being promoted. Officials said this was because the duties of tax workers required ‘honesty, tact, diplomacy, courtesy, and control of temper.’” Now that's what I call fundamental reform.

But the Schnepper Book, as *Inside IRS* somehow begs to be called, offers more than just helpful reform plans. It relates pages and pages of IRS horror stories—marvellous grist for the mills of those who see the “revenooers” as the American equivalent of the Gestapo. One incident Schnepper relates is especially appealing, because it leaves little doubt as to the similarities and differences between IRS collection efforts and highway robbery: It seems a French citizen had deplaned in New York while flying to Switzerland with \$247,500 in cash in his

pocket. An IRS agent somehow found about this money and demanded that the Frenchman tell him its origin and his reasons for carrying it with him. When the Frenchman refused, the IRS agent terminated his taxable year, filed a jeep-

preachers—radical in their advocacy of women's rights and individualism—he came naturally enough by the personal lifestyle libertarianism which never really left him through all the turns and twists in his intellectual career. But his

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**“In his 80s, Max Eastman was calling himself a ‘Libertarian conservative’; I suspect if he'd made it to 100, he might have dropped the last word of that phrase.”**

---

ardy assessment against him, and prepared a return, plugging in phony figures designed to yield a “tax due” figure of, you guessed it, \$247,500.

A few pages later in this remarkable book, Schnepper quotes an IRS agent as lamenting his agency's poor reputation. “We are a convenient patsy boy,” the agent says, “since most people—especially those of low economic status and little education—have been educated to the belief that we are after them.”

Really? Well, perhaps the Schnepper Plan will remedy this situation too. We can only wait for those radio, TV and newspaper interviews and keep our fingers crossed.

The Last Romantic: A Life of Max Eastman, by William L. O'Neill. Oxford University Press, 339 pp., \$14.95

A LIBERTARIAN Activist once told me that in his opinion a great many leftists were just libertarians who didn't yet understand economics. And easy as the description may be to resist in the cases of more than a few leftists, it seems absolutely irresistible in the case of Max Eastman. The son of two radical New England

failure to understand economics was profound enough in the first two decades of this century, when he was making a national reputation as the handsome, deep-voiced, poetry-writing, free loving Greenwich Villager who edited the nation's most literate socialist magazine, the *Masses*, that he fell hook line and sinker for the sophistries of Marx, and for the “dictatorship of the proletariat” of his glib-tongued pupil, Lenin.

To his credit, however, Eastman didn't persist long in his delusions about Soviet Russia—only, to be exact, until he had given the great experiment a try himself. The *Masses* had been silenced by government fiat when it opposed the first World War. Its successor, the *Liberator*, had fallen upon evil financial times, its business manager absconding in the end with its entire cash reserve. His journalistic options suddenly decreased, Eastman decided to make a home for himself in the country where, he had informed his readers, “a cooperative system of production” had been instituted and “human brotherhood and not a reign of terror” prevailed. When he arrived in Russia he found things far other-

wise. And within two years he was back, still nominally committed to Marxism but no longer defending the Soviets.

Fifteen years later, he was explaining to the readers of the Reader's Digest that "Socialism Doesn't Gibe with Human Nature." And within another decade, he was gracing the pages of William Buckley's *National Review* as an apologist for the Cold War and for Senator Joseph McCarthy. Ultimately, though, Eastman broke with Buckley and the anti-communists. In 1968, at a time when it had not yet become chic to do so, Eastman opposed the war in Vietnam. "A fiftieth part of what we spend on the irrelevant war in Viet Nam," he wrote, "if spent on a prodigious campaign of world-wide educative propaganda, might convince mankind of the simple fact that communism must give way to common sense."

Eastman had begun his career advocating freedom of lifestyle. By the forties he had learned that freedom of lifestyle entails economic freedom in a free marketplace. And during the last year of his life, he was beginning to see that a hawkish, interventionist foreign policy was also inconsistent with personal freedom. Max Eastman died on March 25, 1969, at the age of 86. By then he was describing himself as a "libertarian conservative". I suspect that if he'd made it to 100, he might have dropped the first word of that phrase.

William O'Neill's biography of this libertarian in the making is, alas, not very interesting reading. How can the life of a world-travelling radical, journalist and man of letters, a man who married repeatedly but never let it interfere with his dozens of

love affairs, who wrote in the neighborhood of thirty books, who knew Trotsky intimately, and Edna St. Vincent Millay, and Edmund Wilson and Ernest Hemingway, among tens of others among the important figures of the literary and political history of the twentieth century—how can such a life be other than interesting? Try Professor O'Neill's flabby, pedantic, soporific volume, and you'll find out.

Liberty, Man and Government, by Thomas Merlin Goss. Exposition Press, 51 pp., \$4.50

MR. THOMAS MERLIN GOSS, who holds a B.A. in Public Service and is now working as a switch tender on the Indiana Harbor Belt Railroad, describes his new book as "A Libertarian Manifesto." His publisher, Exposition Press, describes it as "A Stimulating Discussion of the Myths that Enslave Millions." It is neither.

But I must confess that words escape me when I try (and I have been trying for weeks now) to come up with a substitute phrase with which to describe this remarkable volume. Very well then: let the book speak for itself. Here is a sample sentence—a representative one, I think—from Chapter I, "Liberty—and its Essence". Notice both its content and its form, if you would—both its meaning and its grammatical clarity:

"Here in the United States just before and during the American Revolution this same determination by American colonists not to give allegiance to the British Crown, by refusing to pay taxes on products such as tea when there was no representation for the colonies in the British Parliament."

Or consider this sentence, with which the first section of the first chapter ends:

"It is to be hoped that all individual actions will be constructive in nature, but with mischief being found in any democratic set up one could say that maximum liberty is achieved and becomes a reality when, for instance, one would not be detained or arrested by authorities for crying 'fire' in an empty theater."

It is possible, of course, that I am missing some subtlety here, and that Mr. Goss has in fact written a profound analysis of "the myths that enslave millions." My insensitivity, if such it is, dooms me however to feel that Mr. Goss's discussion is puerile and unlibertarian when it is coherent at all, which is not often. Mr. Goss seems in fact to have achieved the rare distinction of publishing a verbose, overly long book of only 51 pages.

—JEFF RIGGENBACH

## The politicization of everything

The Execution of Mayor Yin and Other Stories from the Great Proletarian Revolution, by Chen Jo-Hsi, Indiana University Press, 220 pp., \$6.95

THIS COLLECTION OF eight short stories by a Chinese American woman who defected to—and then

fled from—the "People's Republic" is a stunning, yet subtle indictment of the ant-farm-style collectivism being pushed by people who ought to know better. The politicization of *everything* is here dramatized with a wry, sometimes bitter, clarity of vision. In Chen Jo-Hsi's world politics is everyday life—people do not simply talk, they *discuss*. Love, hate, birth, death, jealousy, admiration: all these things are sublimated into jargon and break through to the surface only against great odds, buried beneath a thousand slogans scrawled across a hundred thousand wall posters. I am one of those science fiction fans who almost never reads "mainstream" fiction for pleasure, but I couldn't put this book down, perhaps because the landscape etched so sharply and simply by Chen Jo-Hsi is so bizarre, so alien to the civilized mind, that it approaches the tone and feel of much sf. The *otherness* of Chinese Communist society is brilliantly portrayed in clean, simple, elegant prose; no lectures, no vagueness, just the facts. *The Execution of Mayor Yin* is more than a devastating indictment of Maoism—it's an artistic success, the kind of success which seems almost effortless, although anyone who knows anything about the writing of fiction knows perfectly well what hell the author had to go through in order to create such an effect. Buy it.

—JUSTIN RAIMONDO



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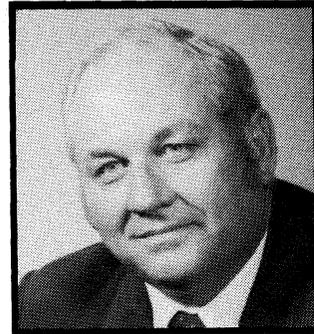
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