

Libertarian Review

JUNE 1978 \$1.25

**Carter's
Memory Hole**
by Bruce
Bartlett



**Is There Hope
for France?**
by Leonard
Liggio



**Pornography
and the
Free Market**
by Joan
Kennedy Taylor

Also: Jeff Rigenbach, Richard Ebeling,
Murray Rothbard, Walter Grinder, Tom G. Palmer,
Jonathan Marshall, Ralph Raico

Letters

Neoconservative backlash

Mr. Shapiro's logaoedic essays ("The Neoconservatives, Jan.-Feb. and March 1978) lack an objective correlative. Though he makes obeisance to the idea that the men whose views he is discussing differ somewhat, he then abandons this difficulty and assumes a unity which makes each of us responsible for the other. While I am prepared to be responsible for each of my friends, as friends, I am not, as regards our varied political and philosophical views.

For one thing, I do not know what the term "neoconservative" means. It takes the axis of politics, and assumes that one's entire philosophy can be arranged along that axis. This is a singularly one-dimensional view of society. As for myself, I am a socialist in economics, a liberal in politics and a conservative in culture. If you, or Mr. Shapiro, or your readers, have a difficulty with that formulation, I invite you or they to buy the paperback edition of *The Cultural Contradictions of Capitalism* (to be published in the fall) wherein that view is defined in the Foreword.

Mr. Shapiro seems to assume a unity of views among neoconservatives as both regards social and foreign policy. I am not aware of any such unity, logical or otherwise. He writes: "All except Kristol are members of the Committee on the Present Danger, a group of mostly old war hawks. . . ." I don't know who among the gentlemen mentioned are members; but I am not, and have never been a member. Nor does any of Mr. Shapiro's discussions describe my views. In that respect, I have not written on foreign affairs, other than an analytical essay on "The Future World Disorders," in the Summer 1977 issue of *Foreign Policy*. And, curiously, though Mr. Shapiro discusses foreign affairs, he makes no mention of any of the articles in *Foreign Policy*, though it is the "sister" magazine of *The Public Interest*. Both are published by National Affairs, Inc., of which Mr. Kristol and I are officers.

Apart from its smugness, the most

dismaying aspect of Mr. Shapiro's discussion is the use of a vulgar sociology, akin to a vulgar psychoanalysis, to account for "neoconservative views." He writes that "The anti-ideological attack of the (sic!) neoconservative is a classic (sic!) case of hostile reaction to one's past experience." I suppose *everything* can be explained as a hostile or favorable reaction to one's past experience. And nothing.

Daniel Bell
Harvard University
Cambridge, Massachusetts

The author replies:

1. Mr. Bell complains of the "smugness" of the article. The article is at times polemical, perhaps unduly so. If such polemic offended Mr. Bell, I wish to apologize. No offense was intended.

2. I incorrectly asserted that Mr. Bell was a member of the Committee on the Present Danger. Only Messrs. Glazer, Moynihan, and Podhoretz are members of that organization. I apologize for the error.

3. The term "neoconservative" does have a "meaning" in the sense that it refers to a cluster of themes that the gentlemen I mentioned in my article are concerned with. Certainly the stress on bourgeois virtue, the hostility to ideology, the belief that the West is facing a spiritual crisis promoted in part by the widespread ethic of self-indulgence, are notions which constantly appear in Mr. Bell's writings. Nor are they solely political notions. Considering that I stressed in my article that the neoconservatives see the West's crisis as primarily one of values, I am at a loss to understand Mr. Bell's comment that I assumed that the neoconservative philosophy solely revolved around the "political axis." If Mr. Bell still is uncertain what the neoconservative trend amounts to, I invite him to examine Irving Kristol's piece "What is A Neoconservative?" in *Newsweek*, January 19, 1976.

4. Mr. Bell objects to my use of a "vulgar sociology" when analyzing the

neoconservatives' anti-ideology motif. I am not too sure what Mr. Bell means by this phrase, though part of what he seems to mean is that my explanation, that their anti-ideological view is a hostile reaction to their past experiences, is a vacuous explanation. I do not think such an explanation is vacuous; certainly it is a fairly common experience that those who are disillusioned with radicalism often interpret the world via a framework derived from such disillusionment. When the neoconservatives assert that all ideologies must simplify and distort, and when one sees that in the past they had negative experiences with socialism (and later, McCarthyism), one can only conclude, whether this be "vulgar" or not, that they are reacting hostilely and uncritically to their past experiences.

5. Mr. Bell objects that my description of the neoconservative views on foreign affairs do not describe his views. I was aware when I wrote the article that Mr. Bell has written very little on foreign affairs: that's why I used at various points such expressions as "Most neoconservatives . . ." when describing the neoconservative outlook on foreign policy. I did not mention the magazine *Foreign Policy* because it is not usually considered a neoconservative publication the way *The Public Interest* and *Commentary* are so considered.

6. I fail to understand what Mr. Bell has in mind by his claim that he is a socialist in economics. Mr. Bell does favor more government intervention in the economy than, say, Mr. Kristol, but a reading of the hardcover version of *The Cultural Contradictions of Capitalism* does not convince me that he is a socialist. In that book Mr. Bell admits a certain degree of respect for market mechanisms; he explicitly states that the individual should be the primary unit of a well-ordered society; and he indicates that he is hostile to extreme egalitarian goals. It is very difficult to see how such notions could be compatible with such notions as nationalization of industries and large-scale government planning. As far as I can see Mr. Bell is an advocate of a certain form of the welfare state; if he wishes to use an idiosyncratic notion of socialism and call himself a "socialist," so be it. —Daniel Shapiro

Libertarian Review

June 1978

Vol. 7, No. 5

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Subscriptions: Single copy, \$1.25; 12 issues (one year), \$15; two years, \$25; three years, \$35. Address Change: Write new address, city, state and zip code on sheet of plain paper, attach mailing label from recent issue of LR, and send to Circulation Department, Libertarian Review, 1620 Montgomery Street, San Francisco, CA 94111. Second class postage paid at San Francisco and additional offices.

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by Leonard Liggio

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Editorials

The collapse of the Carter administration

Two covers of the London Economist sum it up best. The first—dated March 5, 1977—shows a forceful and self-confident Carter asserting himself: fist raised, speaking out strongly as he took power, the caption: "Carter's Way." The second—dated April 22, 1978—shows a hassled Carter, hand pressed against his worried, exhausted brow, the caption: "Give Me a Break."

Having skidded to power on a slippery smile, promising that his would be an honest, tough-minded and competent administration, Carter's administration is beginning to collapse like a house of cards in slow motion. As the *Manchester Guardian* weekly wrote: "No serious Western newspaper or television channel these days seem complete without long and agonized articles asking: Can Jimmy Carter cope?" Then a laundry list of "the usual string of singeing complaints. That Carter has made a muck of Soviet relations; formulated no clear Middle East policy; shown himself a hopeless amateur on the Hill; doubled back on his human rights pledge; that his staff couldn't run a peanut farm" (April 14, 1978).

Ken Bode picked up the theme in *The New Republic*: "[I]n the polls, Jimmy Carter is a fright to behold. Both Gallup and Harris show Carter dropping more precipitously than any president in modern times and . . . there are still no signs of bottoming out. In surveys taken around the country for incumbent Democrats, the president is running an average of 20 points behind the Democratic members of Congress in popularity with their constituents. . . . His job performance ratings have collapsed." The article was titled: "Carter in November: Democratic candidates plead, 'Keep him out of my district'" (May 20, 1978).

A poll has discovered that the public had become "dramatically more pessimistic" in their evaluation of Carter's ability to check inflation, balance the budget, or reduce unemployment. As *The Economist* wrote: "In only 15 months, Mr. Carter has taken rather too many steps toward the point at which his office becomes, as it did for some before him, more a predicament than a source of power. To judge from present criticism, it would be hard for Mr. Carter's stock to drop much further. On Capitol Hill, in the press, in the country at large, in Africa, Russia, the Middle East and Europe the usual answer to a question about Jimmy Carter is a shrug. The public ratings inside America of his performance as president are abysmal. A recent Harris survey could find only 36% of those polled

who thought Mr. Carter was doing an adequate job. Six months ago, when the president's standing took a similar plunge, talk of this being a one-term president sounded far-fetched and premature. It still does, but rather less so. Nor is the concern only at home. Friends abroad, who have followed Mr. Carter's fitful handling of international affairs, are asking, as the columnist James Reston asked recently in the *New York Times*: 'Is anybody in charge?' . . . despite his claim in the state of the union message in January that 'government cannot solve our problems,' Mr. Carter, it is being said only half jokingly, tried to solve everything at once and succeeded only in reducing coast-to-coast airfares" (April 22, 1978).

There is scarcely an area where Carter has not botched something major: from energy to the Middle East, from Social Security to getting control of the budget deficit. But the feelings against him are based on something deeper. As a top Carter aide conceded to *Newsweek*, "The perception in the country is that we don't know what we're doing." And so the Carter administration is in utter disarray, alternately threatening and pleading with the American people to give in to new "programs," to new oppressions of their liberties, to new indignities. We seem to have before us the single most incompetent administration since the invention of the wheel.

And we can be happy indeed with that fact. *The Economist* wished him well: "Those who wish America well must not hope that the giddy slide in the president's fortunes is coming to an end." But why? There is no reason to see as identical the fortunes of Carter and the fortunes of the people of the United States. Everyone recognized that the fall of Nixon was a blessing for the American people; the same ought to be true with the collapse of Carter. It is indeed noble that Carter is slipping in influence and prestige, for if his programs were implemented, the American economy would be further wrecked. There is no reason to hail that unhappy occurrence merely because of some misplaced and erratic concern with the continued crumbling of the imperial presidency.

When Carter rose to power, he represented an amalgam of three bizarre strains in his personality and programs: a combination of reborn Christian mystic, a militarist former Naval officer, and a technocratic engineer. His political vision is a murky one indeed, concentrating on a weird combination of media-oriented "style" and "symbolism" with cynical technocratic manipulations of the American people and economy. When running for office, Carter used to attempt to underline his claims to "competence" by presenting himself as "an engineer, a planner, a nuclear physicist." Those traits cannot be adapted to political life: every time the techniques of engineering, of physics, of central planning have been mercilessly imposed upon people in the past—inside and outside this country—the result has been a cruel hoax played upon peoples' legitimate aspirations and hopes. Such programs invariably produce the opposite of the results allegedly "intended." They merely tighten the political noose which has for decades been strangling human beings on this plan-

et. We ought not to become cheerleaders for the hangman.

Carter's ill fortunes are well deserved. Until he mends his ways and begins loosening the rope, reversing the ratchet of government, and dismantling the powers of the state, there is no reason for us to wish him well. If he had his way, and found himself suddenly more "competent," we would all be worse off. It is Carter who should give the American people a break, not the other way around. ●

Volunteer Army under attack

It is no secret to anyone who follows public discussions that there is today a significant and powerful lobby that would like to junk the volunteer army and bring back that hated American institution, the draft. Every few months, some leftist will croon about his private dream of universal national service—military and nonmilitary alike—thus trying to cash in on a gushy, collectivistic "patriotism." Singing a brooding harmony to accompany the liberals' melody, the conservatives then bring out the old refrain—sung to the tune of a funeral march—about the decline of our military prowess.

Most recently, this argument was trotted out like an aging barbershop quartet, in the pages of the conservative weekly *Human Events*. The article, which appeared in the May 6th issue was "How Good is the Volunteer Army?" The answer was that it was on its last legs. *Human Events* resolved to deliver another crippling blow.

Echoing such recent sources as the April 20th ABC special on the "alarming" status of the U.S. Army in West Germany, the article underscored the usual claims about our "military deterioration," and played up the themes of a "drop in morale" in our armed forces.

The story dragged out the recent study on the state of the U.S. Army commissioned by Rep. Tobin Beard (R.-Tenn.) and conducted by Jerry Reed, which concluded that "the Army and its reserve and National Guard units are weak and growing weaker, largely as a result of the failure of the way in which the five-year-old volunteer program has been operating." Moreover, "to support NATO forces during a war, the Army would be deficient by at least 500,000 personnel within 60 days after the outbreak of hostilities. Active forces are 80,000 personnel short of wartime strength. Reserve and National Guard units are 180,000 short of wartime strength." These "manpower deficits" are portrayed as sinister indeed, and we are warned: "The current Selective Service system has no idea where to find American youths and it would take at least three months to reconstitute a draft process." Horrors!

That *Human Events* piece brings in other things to make out its evasive "case" for moving back to a draft, but these few give us enough to sink our teeth into:

(1) The alleged deterioration of our military prowess is a myth. It is based on several clever maneuvers. First, the often-cited "massive buildup" of Soviet armed forces is

grossly exaggerated. Part of that "increase" is a result of a revision upward of estimates of Soviet spending to sustain a given level of military strength. CIA estimates of the efficiency of the Soviet defense "industry," for example, have recently been revised downward. This means that the Soviets are less efficient here than previously thought. That in turn means that our estimates of their "military spending" have increased, since the CIA now thinks it costs them more to produce a given result. Thus part of the alleged Soviet buildup really results from the fact that it costs them more to produce a given level of weapons and the like than we once thought.

Closely related to this is the method the U.S. defense establishment uses to calculate Soviet defense spending. Since Soviet expenditures must be translated into figures comparable to American expenditures, the defense establishment calculates the spending of both in terms of dollars. In essence, as Congressman Les Aspin has pointed out, they ask "What would it cost to buy the Soviet defense establishment in the United States at U.S. prices?" But this means, for example, that Soviet manpower costs are calculated at U.S. rates, even though the United States pays its soldiers far, far more. As Aspin has pointed out, "Using this methodology, the largest single reason that Soviet defense spending exceeds our own has been the American decision to switch to an all-volunteer Army and to pay its servicemen civilian-level wages. The absurdity of this calculation then becomes clear: If the United States were to shave its military pay scales, Soviet defense 'spending' would fall." Similarly, as American pay scales increase, our estimate of Soviet defense "spending" rises—even though they are not in fact spending any more than they were. This accounts for one segment of the alleged massive Soviet buildup.

Now, no one can deny that there has been a buildup in real terms as well, although this is much less than we are led to believe by this slippery propaganda. But another large category of the increase in Soviet spending has to do with continuing tensions between the Soviet Union and China. How much of Soviet spending is aimed here is not known, but there are at least a million Soviet soldiers on the Chinese border. These cannot reasonably be said to constitute a threat to the U.S.

Doesn't this still leave a substantial Soviet buildup? The question here is: "substantial"—for what? Leaving aside irrational "worst case scenarios," the U.S. has more than enough arms and men to counter any real Soviet aggression against the United States.

(2) Note that the conservatives' arguments rely implicitly on the view that the Soviet Union is preparing for war against the West. Where is the evidence for this? Outside of some minor tinkering in Africa with Cuban troops—an intervention not even roughly comparable to early U.S. involvement in Vietnam—where are the military thrusts taking place? The answer is that they aren't. So, if U.S. intervention in Southeast Asia was in fact no threat to the Soviet Union, as was then claimed, how on earth can we conclude that a far lesser Soviet involvement in Africa is a

threat to the United States? Where is the proof of this alleged warlike intention on the part of the Soviets?

(3) Another part of the conservative argument is the deterioration in morale of U.S. troops in Western Europe and elsewhere. This is also a red herring. First, all available evidence points to the conclusion that there is an even greater deterioration in the morale of Soviet troops. Secondly, part of the decline in morale—particularly in Western Europe—is directly attributable to the decline in our troops' standard of living, which is caused by the progressive decline of the dollar itself, in turn caused by continual inflation of the money supply. This can be corrected only by ceasing the monetary exploitation of people that the U.S. government and Federal Reserve System are engaged in year after year, and cannot be corrected by the draft, which would only make things worse. Another reason for the decline: The U.S. lost a war in Southeast Asia, and there is naturally going to be a deflation of morale for that reason.

(4) There is also the simple fallacy of presuming that we can increase morale, somehow, by returning to the slavery of the draft. How does this follow?

(5) The claims about the deficiency in forces needed to

support NATO contain several further fallacies. First, the deficiency exists only in comparison to "wartime strength." But why is wartime strength the relevant standard, since we are obviously not at war? Secondly, we supposedly would be deficient by "500,000 personnel within 60 days" after the outbreak of war in Europe. What make us think, however, (a) that we are heading for war in Europe, or (b) that there would be any Europe two months after the outbreak of a major war?

(6) Finally, how do any of these add up to an argument for the draft?

Other arguments are trotted out by *Human Events*, such as reference to allegedly increasing "drug abuse," but it is hard to see how the draft is the solution to these either.

But all such points are typical of the militarist argument for stepping up military spending, drafting young people into armed service, and engaging in confrontations with the "enemy." None of them hold water, and none of them is any justification for enslaving American youth. Ayn Rand hit it on the nose when she accused conservatives of being in favor of the right to a bank account, but against the right to life. It is really quite difficult to contemplate them without feeling at least the tiniest bit of disgust. ●

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Crosscurrents

by Walter Grinder

Rethinking Crime and Punishment

One of the most important questions on which libertarians must begin to make themselves heard is the issue of crime and punishment. A key step toward that goal was taken in March 1977 when two dozen of the nation's top criminal justice experts and libertarian scholars gathered at the Harvard University Law School for a conference on "Crime and Punishment: Restitution, Retribution and the Law." Adding further to this effort is the recent publication of the proceedings of the meeting, *Assessing the Criminal: Restitution, Retribution and the Legal Process* (Ballinger Publishing Company, Cambridge, 1977), edited by Randy E. Barnett and John Hagel III (both members of the Center for Libertarian Studies), the two most active organizers and directors of the conference.

From the beginning, the aim was to develop a conference through which libertarian ideas on crime and punishment could be introduced into the overall dialogue on the subject. Judged by this and a number of other criteria, the meeting was a success. Among the nonlibertarian participants were James Q. Wilson, Edward Banfield, and Alan Dershowitz of Harvard; Richard Epstein of the University of Chicago; and Walter Kaufmann of Princeton. These speakers were chosen to discuss topics where their views come closest to a libertarian position. The conference—a brainchild of the CLS, which organized the meeting—was sponsored and presented by the Liberty Fund of Indianapolis, Indiana.

These nonlibertarian experts not only took notice of the libertarian positions presented at the conference—such as a totally private court system—but considered and discussed them as serious alternatives to the current statist system. Included among the libertarians were Ronald Hamowy, John Hospers, Leonard Liggio, Murray N. Rothbard,

Thomas Szasz, Gerald P. O'Driscoll, and Mario J. Rizzo (the latter two of whom are now faculty members in the Department of Economics at New York University).

Since the proceedings will be reviewed in *LR* within the next few issues, I won't discuss the question at length, but simply point out two differing views of punishment that emerge from the book—both presented by libertarians. One is set forth by Murray Rothbard, who presents his justification for retribution in the classical mold of *lex talionis* (the hard-nosed, nonsentimentalist approach of the eye-for-an-eye doctrine) in "Punishment and Proportionality." The other, entirely different approach is taken by Randy Barnett, who proposes (in "Restitution: A New Paradigm of Criminal Justice") that restitution, not retribution, is the just and libertarian way to deal with crime and punishment.

This symposium should serve as a prototype for the sort of conference needed if we want academia to take seriously libertarian positions. Its aim is different from that of the CLS's annual Libertarian Scholars Conference, where libertarian theory is examined and pounded out only by libertarians themselves. Both types of meetings are badly needed undertakings, and the Center is performing a vital service by efforts in both directions.

In the case of crime and punishment, for example, the internal debate among libertarians will undoubtedly continue at the Libertarian Scholars Conference, while at the same time libertarians have entered into the academic forum at large.

Assessing the Criminal is a most useful volume which should be read and studied by anyone who wants to present or defend a libertarian alternative to the current statist paradigm of a criminal justice system.

The National Security State

This year's 60th anniversary of that bastion of Corporate Liberalism, the Foreign Policy Association (see, for example, the article in the February 2, 1978, *New York Times*) serves as a reminder of how much the FPA and its cohorts have done to transform the United States into the interventionist empire it has become in this century. The FPA itself was founded in 1918 to ensure that the United States would not pull back from its "global responsibilities" after the Great War, and has continued to do so ever since. It is one of the oldest members of a breed which includes the Brookings Institution, the Twentieth Century Fund, the National Planning Association, the National Bureau for Economic Research, and more recently, the Committee for Economic Development and the Council on Foreign Relations. Especially during and after World War II, the FPA led the way toward the fulfillment of the policy elite's imperial dreams.

Two excellent articles by David W. Eakins are worth recommending, which examine the role played by these various corporate-financial liberal "think tanks" in shifting the emphasis of U.S. foreign policy from one supporting "relatively" free trade and peaceful relations with other nations to one embracing aggressive and ubiquitous interventionism: "Policy Planning for the Establishment," in *A New History of Leviathan*, edited by Ronald Radosh and Murray Rothbard (E.P. Dutton, 1972); and "Business Planners and America's Postwar Expansion," in *Corporations and the Cold War*, edited by David Horowitz (Monthly Review Press, 1969). For an even deeper examination of this relationship, I recommend Eakins' very useful (but, alas, as yet unpublished) doctoral dissertation, "The Development of Corporate Liberal Policy Research in the United States, 1885-1965" (University of Wisconsin, 1966).

These policy promoters and decision makers have achieved no less than the transformation of America—and they can rest smugly content on these "laurels." Not only have all of the corporate liberal think-tanks been swallowed by the globalist camp, but so also have the corporate conservative

groups—e.g., the American Enterprise Institute, the Council on American Affairs, the Heritage Foundation, etc. And, of course, it is high heresy to propound anything approximating a consistently noninterventionist foreign policy prescription in any American university today. Clearly, the foundations and assorted think tanks have succeeded beyond their wildest dreams.

But the real liberals—as opposed to the corporate liberals and other sundry pragmatists and interventionists—had insisted all along and emphatically that the result of an expansionist foreign policy would be a gigantic growth of the Garrison State at home. This insight, of course, was simply in keeping with the 300-year-old liberal tradition of opposition to militarism and imperialism—an opposition based on the knowledge that such militarism led both to the centralization and growth of state power and to the fusing together of the State and the economy.

Liberals such as Randolph Bourne, Albert Jay Nock, Charles Beard, John T. Flynn, Harry Elmer Barnes, Felix Morley, and many others predicted the domestic end-result of foreign adventurism throughout the first half of the 20th century. Although the Garrison State as a naked reality has waxed and waned during the last 40 years, these liberals' prophecies proved uncannily correct.

Perhaps the best source from which to learn more about this basically liberal analysis is in Ronald Radosh's expert and penetrating study (albeit with an unnecessarily misleading misnomer of a title) *Prophets on the Right: Profiles of Conservative Critics of American Globalism*: (Free Life Editions, 1978). Radosh's study first came out in 1975 and was unfortunately but thoroughly buried by the establishment's scholarly and journalistic press. (I think that the strange title might have scared off many would be sympathetic reviewers). Happily, the small but crucially important little libertarian publishing house, Free Life Editions, was able to secure the paperback rights and thereby keep this important book in print. (You can write them at 41 Union Square West, New York City, NY 10003; \$5.95.)

The title of the book is clearly a misnomer because of the five people that

Radosh studies (Charles Beard, John T. Flynn, Oswald Garrison Villard, Robert Taft, and Lawrence Dennis) only Taft could be considered a conservative. Dennis was a liberal who more than just flirted with fascism. When looked at carefully, most of these so-called conservatives were in fact liberals trying to maintain their liberal values and liberal vision—while much of the rest of the world was rushing headlong toward the conservative quagmire of militarism and statism that these five were warning about and that they so totally abhorred. In this topsy-turvy world of the 1930s, 1940s and 1950s, it is hardly surprising to find that those leading the charge into the conservative nightmare of war and statism were running about calling themselves liberals.

It is in the Radosh book that we can find the threads of the liberal-libertarian tradition, a tradition that not only will steer us on the path of classical liberal anti-militarism, but which also will give us a key analytical tool by which to judge and analyze the world in which we live. The link between military globalism and the domestic National Security State (nee Garrison State) on the one hand, and an economy penetrated and enervated by Pentagon demands on the other, is the most fertile field in which to begin one's analysis of the American system.

Several other key sources for investigating the link between globalism and the National Security State include: *Corporations and the Cold War*, edited by David Horowitz (Monthly Review Press, 1969; see especially J.D. Phillips' "Economic Effects of the Cold War" and C.E. Nathanson's "The Militarization of the American Economy"); *A New History of Leviathan*, edited by Radosh and Rothbard (see especially Leonard P. Liggio's "American Foreign Policy and National Security Management"). Also on the national security management theme see Richard Barnett's *Roots of War* (Atheneum, 1972); *Cold War Critics*, edited by Thomas G. Patterson (Quadrangle, 1971; see especially Athan Theoharis' "The Threat to Civil Liberties"); Daniel Yergin's recent *Shattered Peace: The Origins of the Cold War and the National Security State* (Houghton Mifflin, 1977) gives excellent background on this whole mat-

ter. Arthur A. Ekirch's "The Decline of American Liberalism" (Atheneum, 1967) is particular good on the Garrison State and civil liberties. *Watershed of Empire: Essays on New Deal Foreign Policy*, edited by L.P. Liggio and J.J. Martin (Colorado Springs: Ralph Myles, 1976; see especially Robert J. Bresler's "The Ideology of the Executive State"). This chapter has been reprinted by the Institute for Humane Studies (1177 University Drive, Menlo Park, CA 94025), and it serves very nicely as an inexpensive discussion paper for various kinds of study groups. Another inexpensive but very good discussion paper is the classic "conservative" Garet Garrett's *The People's Pottage* (Caxton, 1953; see especially "The American Empire").

For more on the economic results of globalism on the domestic economy see H.L. Nieburg's *In the Name of Science*, especially the fascinatingly insightful chapter "The Contract State." The very best on this aspect of global interventionism remains the work of Seymour Melman. All of his works are good, but see especially his *Our Depleted Society* (Holt Rinehart and Winston, 1965) and his more recent *The Permanent War Economy: American Capitalism in Decline* (Simon and Schuster, 1974).

This list of references barely scratches the surface of the literature concerning this subject. An excellent bibliography of no less than 2,578 books, articles, and documents on this matter can be found in the chapter "The New Politics of National Security," in *Military Force and American Society*, edited by Bruce M. Russett and Alfred Stephan (Harper and Row, 1973).

Finally, it seems crucial that we libertarians genuinely understand and conform to our liberal tradition of antimilitarism and anti-imperialism—our pro-peace heritage. On this subject, I will list just two, but two very important works. First, see Arthur A. Ekirch's *The Civilian and the Military: A History of the American Antimilitarist Tradition* (Ralph Myles, 1972). The title is self-explanatory.

The second is a book recently rediscovered and brought to my attention by Richard Ebeling, the indefatigable researcher and project (continued on page 44)

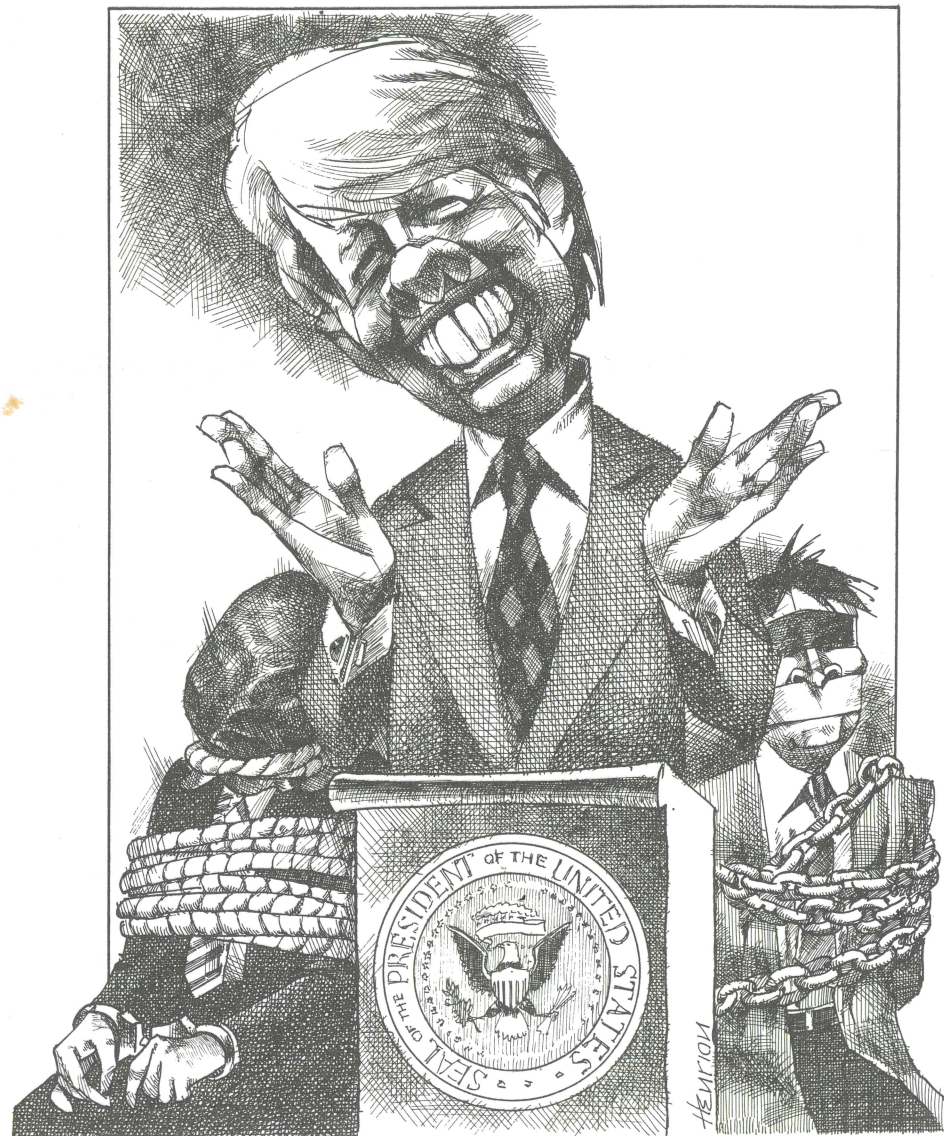
The Public Trough

Carter's memory hole

by Bruce Bartlett

Last year, I detailed the Carter Administration's efforts to suppress facts about the massive amounts of conventional energy sources in this country in order to win support for its energy program. I noted that the suppression of evidence involved the firing of Dr. Vincent McKelvey as head of the U.S. Geological Survey and the firing of Dr. Christian Knudsen as head of the Energy Department's Market Oriented

Program Planning Study (MOPPS). I have argued that in each case the men were fired for contradicting the doom-day scenario upon which the Carter Administration has based its energy program—which would impose Draconian taxes and regulations on the economy in order to achieve energy conservation. I have since elaborated these facts in an article called "Killing the Messenger: The Carter Administration



and the Fact About Oil and Gas," *Washington Monthly*, April, 1978.

Recent developments show that the Carter Administration is continuing the energy coverup unabated.

As a result of my article about suppression of the MOPPS study, a *Libertarian Review* reader sent me the following memorandum which had been sent out by the U.S. Government Printing Office:

ATTENTION DEPOSITORY LIBRARIANS:

The Department of Energy has advised this Office that the publication *Market Oriented Program Planning Study (MOPPS), Integrated Summary Vol. 1, Final Report, December 1977*, should be removed from your shelves and destroyed. The publication was shipped on S/: 10,558 (2nd shipment of February 7, 1978), under Item Number 429-P (El.18:0010/1(D)). We are advised that the document contains erroneous information and is being revised. Your assistance is appreciated. /s/

J.D. LIVSEY
Director, Library and
Statutory Distribution Service (SL)
U.S. Government Printing Office
Washington, D.C.

Needless to say, the implications of this document were self-explanatory: the Department of Energy wished to see the MOPPS study (which showed vast amounts of natural gas available at a higher price) go down the Orwellian Memory Hole.

Consequently, I immediately made this document available to friends at the *Wall Street Journal* and it was reproduced in a lead editorial on April 4, 1978.

But this was not the end of the story. Following publication of the *Wall Street Journal* editorial I made an effort to obtain the MOPPS report referred to in the document. Inquiries were made through the Congressional Research Service of the U.S. Congress, the U.S. Government Printing Office, and the Department of Energy. In each case I was informed that under no circumstances would the MOPPS report be made available. A copy of the report was finally obtained only when a United States Congressman requested one directly from Secretary Schlesinger for his personal use.

An examination of the report shows (continued on page 44)

Liberty's Heritage

Richard Cobden

Richard Cobden, a self-made, self-educated cotton manufacturer from the north of England, is one of the greatest names in the history of classical liberalism. For decades—up until his death in 1865—he persevered in employing his sharp, fresh intellect and his enormous polemical talents in the struggle for libertarian principles: for the free market at home, free trade among peoples, and international peace. Through his many writings and public speeches, through acting as a gadfly in the House of Commons to successive governments, and through organizing and promoting mass movements among the citizens, Cobden did perhaps more than any other individual of his time to make mid-19th century England a relatively free country.

Cobden and his friend John Bright were the mainstays of the Manchester School in British politics and thought. Together they led the Anti-Corn Law League, a mass movement that finally broke the back of the privileged aristocracy and brought complete free trade and increasing prosperity to England. Cobden fought untiringly for lower expenditures and taxes ("retrenchment"), for freedom of opinion and religion, and against paper money—which he called "the curse and scourge of the working classes."

His greatest passion, however, was peace. War he saw not only as an evil in itself, but as producing every other political evil, particularly repression, inflation, high taxes, and poverty. Because of their adherence to principle, even in the midst of the Crimean War, Cobden and the other Radicals of his time were opposed and vilified by the conservatives, who attacked them as enemies of the poor and rootless cosmopolites, and looked on them as men who had no respect for the greatness and power of their own nation. Nonetheless, Cobden was admired and even loved by

many in the working and middle classes, who saw him as the great champion of their interests against the establishment. But the greatest tribute to the man is, oddly enough, a point of terminology: Sometimes, especially in Europe, "Cobdenism" is simply used as a synonym for the philosophy of classical liberalism.

—Ralph Raico

"The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible."—Washington's Farewell Address to the American People

To maintain what is denominated the true balance of European power has been the fruitful source of wars from the earliest time; and it would be instructive, if the proposed limits of this work permitted it, to bring into review all the opposite struggles into which England has plunged for the purpose of adjusting, from time to time, according to the ever-varying theories of her rulers, this national equilibrium. Let it suffice to say that history exhibits us, at different periods, in the act of casting our sword into the scale of every European State. In the meantime, events have proclaimed, but in vain, how futile must be our attempts to usurp the sceptre of the Fates. Empires have risen unbidden by us; others have departed, despite our utmost efforts to preserve them. All have undergone a change so complete that, were the writers who only a century ago lauded the then existing state of the balance of Europe to reappear, they would be startled to find, in the present relations of the Continent, no vestige of that perfect adjustment which had been purchased at the price of so much blood. And yet we have able writers and statesmen of the present day who would advocate a war to prevent a derange-

ment of what we now choose to pronounce the just equipoise of the power of Europe. . . .

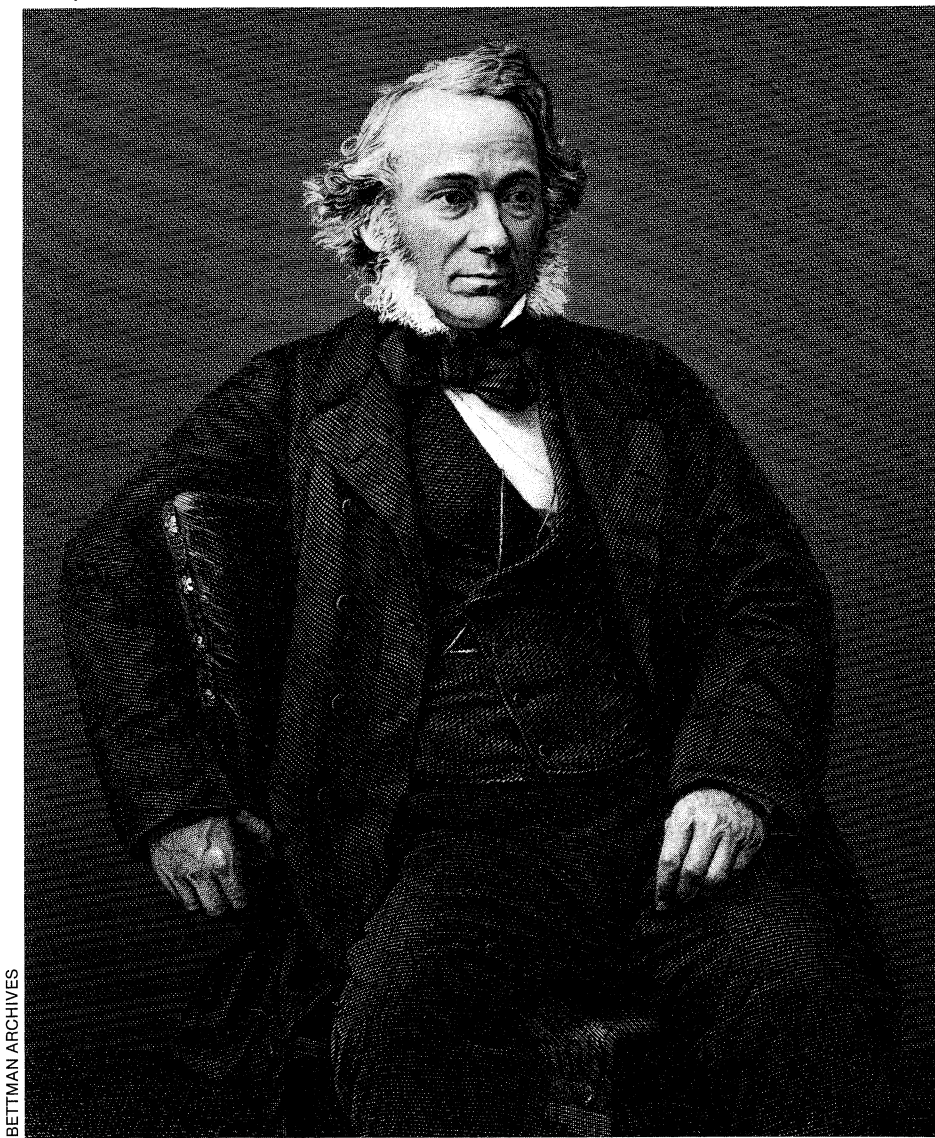
In truth, Great Britain has, in contempt of the dictates of prudence and self-interest, an insatiable thirst to become the peace-maker abroad, or, if that benevolent task fails her, to assume the office of gendarme and keep in order, gratuitously, all the refractory nations of Europe. Hence does it arise that, with an invulnerable island for our territory, more secure against foreign molestation than is any part of the cost of North America, we magnanimously disdain to avail ourselves of the privileges which nature offers to us, but cross the ocean in quest of quadripartite treaties or quintuple alliances, and, probably, to leave our own good name in pledge for the debts of the poorer members of such confederacies. To the same spirit of overweening national importance may in great part be traced the ruinous wars and yet more ruinous subsidies of our past history. Who does not now see that to have shut ourselves in our own ocean fastness and to have guarded its shores and its commerce by our fleets was the one of policy we ought never to have departed from—and who is there that is not now feeling, in the burden of our taxation, the dismal errors of our departure from this rule during the last war?

. . . We have the argument which has, immediately or remotely, decided us to undertake almost every war in which Great Britain has been involved—namely, the defense of our commerce. And yet it has, over and over again, been proved to the world, that violence and force can never prevail against the natural wants and wishes of mankind: in other words, that despotic laws against freedom of trade never can be executed. . . . and yet people would frighten us into war, to prevent the forcible annihilation of our trade! [Cobden cites the famous example of Napoleon's attempted embargo on Continental trade with England.] Where, then, is the wisdom of our fighting European battles in defense of a commerce which knows so well of itself how to elude all its assailants? And what have we to show as a per-contra for the four hundred millions of debt incurred in our last continental wars? . . .

We have dwelt at greater length upon this point, because the advocates of an intermeddling policy always hold up the alluring prospect of benefiting commerce; and we think we have said enough to prove that Russian violence cannot destroy, or even sensibly inure, our trade.

. . . We know of nothing that would be so likely to conduce to a diminution of our burdens, by reducing the charges of army, navy and ordnance (amounting to fourteen millions annually) as a proper understanding of our relative position with respect to our colonial possessions. We are aware that no power was ever yet known voluntarily to give up the dominion over a part of its territory. But if it could be made manifest

to the trading and industrious portions of this nation—who have no honors or interested ambition of any kind at stake in the matter—that whilst our dependencies are supported at an expense to them, in direct taxation, of more than five millions annually, they serve but as gorgeous and ponderous appendages to swell our ostensible grandeur, but in reality to complicate and magnify our government expenditure, without improving our balance of trade—surely under such circumstances it would become at least a question for anxious inquiry with a people so overwhelmed with debt, whether those colonies should not be suffered to support and defend themselves as separate and independent existences. . . .



Richard Cobden

There is no remedy for this but in the wholesome exercise of the people's opinion in behalf of their own interests. The middle and industrious classes of England can have no interest apart from the preservation of peace. The honors, the fame, the emoluments of war belong not to them; the battle-plain is the harvest-field of the aristocracy, watered with the blood of the people.

We know of no means by which a body of members in the reformed House of Commons could so fairly achieve for itself the patriotic title of a national party as by associating for the common object of deprecating all intervention on our part in continental politics. Such a party might well comprise every representative of our manufacturing and commercial districts and would, we doubt not, very soon embrace the majority of a powerful House of Commons. At some future election, we may probably see the test of "no foreign politics" applied to those who offer to become the representatives of free constituencies. Happy would it have been for us, and well for our posterity, had such a feeling predominated in this country 50 years ago! . . .

Nor do we think it would tend less to promote the ultimate benefit of our continental neighbors than our own, were Great Britain to refrain from participating in the conflicts that may arise around her. . . . England, by calmly directing her undivided energies to the purifying of her own internal institutions, to the emancipation of her commerce—above all, the unfettering of her press from its excise bonds—would, by thus serving as the beacon of other nations, aid more effectually the cause of political progression all over the continent than she could possibly do by plunging herself into the strife of European wars. . . .

If ever there was a territory that was marked out by the finger of God for the possession of a distinct nation, that country is ours; whose boundary is the ocean, and within whose ramparts are to be found, in abundance, all the mineral and vegetable treasures requisite to make us a great commercial people. Discontented with these blessings, and disdaining the natural limits of our empire, in the insolence of our might and without waiting for the assaults of

envious enemies, we have sallied forth in search of conquest or rapine and carried bloodshed into every quarter of the globe. The result proves, as it ever must, that we cannot violate the moral law with impunity. Great Britain is conscious that she is now suffering the slow but severe punishment inflicted at her own hands—she is crushed beneath a debt so enormous that nothing but her own mighty strength could have raised the burden that is oppressing her.

Again we say, England cannot survive its financial embarrassment except by renouncing that policy of intervention in the affairs of other states which has been the fruitful source of nearly all our wars. . . .

—from *England, Ireland, and America* (1835)

We shall offer no excuses for so frequently resolving questions of State policy into matters of pecuniary calculation. Nearly all the revolutions and great changes in the modern world have had a financial origin. The exaction of the tenth penny operated far more powerfully than the erection of the Council of Blood to stir the Netherlands into rebellion in 1569 against the tyranny of Charles V. Charles I of England lost his head in consequence of enforcing the arbitrary tax called ship-money. The independence of America, and indirectly through that event, all the subsequent political revolutions of the entire world, turned upon a duty of threepence a pound, levied by England upon tea imported into that colony. . . .

Remembering that to nineteen-twentieths of the people—who never encounter a higher functionary than the tax-gatherer, and who meet their rulers only in duties upon beer, soap, tobacco, etc.—politics are but an affair of pounds, shillings and pence, we need not feel astonished at such facts as the preceding. . . .

If government desires to serve the interests of our commerce, it has but one way. War, conquest, and standing armaments cannot aid, but only oppress, trade. Diplomacy will never assist it, commercial treaties can only embarrass it. *The only mode by which government can protect and extend our commerce is*

by retrenchment and a reduction of the duties and taxes upon the ingredients of our manufactures and the food of our artisans.

The British nation—the productive classes—pay in taxation as much in proportion to support well-dressed lookers-on in ships of war, garrisons and civil offices, as their goods sell for to the West Indians. . . . It is customary, however, to hear our standing army and navy defended as necessary for the protection of our colonies—as though some other nation might otherwise seize them. Where is the *enemy*(?) what would be so good as to steal such *property*? We should consider it to be quite as necessary to arm in defense of our national debt! . . .

Those who propose to influence by force the traffic of the world forget that affairs of trade, like matters of conscience, change their very nature if touched by the hand of violence. For as faith, if forced, would no longer be religion but hypocrisy, so commerce becomes robbery if coerced by warlike armaments. . . .

—from *Russia* (1836)

I wish . . . that all might understand the “true secret” of despots, which is to employ one nation in cutting the throats of another, so that neither may have time to reform the abuses in their own domestic government. I would say, on the contrary, the true secret of the people is to remain at peace; and not only so, but to be on their guard against false alarms about the intended aggressions of their neighbors, which when too credulously believed, give to government all the political advantages of a war, without its risks. For they keep men’s minds in a degrading state of fear and dependence, and afford the excuse for continually increasing government expenditure.

—from *1793 and 1853* (1853)

The Peace party will never rouse the conscience of the people so long as they allow them to indulge the comforting delusion that they are a peace-loving nation. We have been the most combative and aggressive community that has existed since the days of the Roman dominion. Since the Revolution of 1688

we have expended more than 1500 millions of money upon wars—not one of which has been upon our own shores or in defense of our hearths and homes. “For so it is,” says a not unfriendly foreign critic [the Minister from the United States], “other nations fight at or near their own territory—the English everywhere.”

—from *1793 and 1853*

In the name of every artisan in the kingdom, to whom war would bring the tidings, once more, of suffering and despair; in behalf of the peasantry of these islands, to whom the first cannon would sound the knell of privation and death; on the part of the capitalists, merchants, manufacturers, and traders, who can reap no other fruits from hostilities but bankruptcy and ruin—in a word, for the sake of the vital interests of these and all other classes of the community, we solemnly protest against Great Britain being plunged into war with Russia, or any other country, in defense of Turkey—a war which, while it would inflict disasters upon every portion of the community, could not bestow a permanent benefit upon any class of it, and one upon our success in which, no part of the civilized world would have cause to rejoice.

Having the *interests* of all orders of society to support our argument in favor of peace, we need not dread war. *These*, and not the piques of diplomats, the whims of crowned heads, the intrigues of ambassadors, or schoolboy rhetoric on the balance of power, will henceforth determine the foreign policy of our government. That policy will be based on the bona fide principle of *non-intervention in the political affairs of other nations*. And from the moment this maxim becomes the lodestar by which our government shall steer the vessel of the state—from that moment the good old ship Britannia will float triumphantly in smooth and deep water, and the rocks, shoals, and hurricanes of foreign war are escaped forever.

—from *Russia*

(From *The Political Writings of Richard Cobden* (2 vols.), reprinted by Garland Press, New York, 1973.) ●

The Plumb Line

The capital punishment question

by Murray N. Rothbard

There are few issues that have gripped the general public more compellingly in recent years than the death penalty. Throughout the country, and especially in urban areas, a rising tide of violent crime, mugging, and murder has led to an outpouring of public sentiment for revival of the death penalty for homicide.

If for no other reason than this one, the libertarian movement—especially the Libertarian Party—must address itself directly to the capital punishment question, for only by addressing squarely the important political issues of the day can we make libertarianism relevant to the public. There is no doubt that the overwhelming majority of the public, regardless of creed or occupation, vehemently supports the return of the death penalty, ending the abolition that had been put over by liberal intellectuals and their judicial sympathizers. In New York, liberal Governor Hugh Carey has risked his political neck by vetoing a bill restoring the death penalty; in California, former Los Angeles Police Chief Ed Davis has taken a leading role in the Republican race for governor by championing the return of the death penalty for murder.

Even the august Supreme Court of the United States has kept its eye on the election returns. In 1972, it banned any capital punishment on the curious new constitutional doctrine that it violated the Eighth Amendment’s prohibition of “cruel and unusual punishment.” In 1976 and 1977, however, it retreated to the point of allowing the death penalty for murder alone (and not for rape or kidnapping), but only where its imposition had not been mandated by the legislature. Thirty-three states now have death penalty statutes, which continue to be tested in the courts.

The Libertarian Party, including myself on the Platform Committee, has tended to shy away from the capital

punishment question until a broad consensus on punishment theory is attained within the libertarian movement. Opinion within the movement ranges far and wide, from the ultra-pacifist view that all punishment must be abandoned, to the “hanging judge” position that any infraction of someone’s private property, however minor, shows that the criminal has no respect for property rights and therefore that this minor aggressor deserves to be executed. But we can afford to wait no longer to come to grips with the capital punishment question. This has become a pressing question in political life, more than just a fascinating problem in high libertarian theory. We must resolve the issue within our ranks and then advance our views in the public debate.

In my view, it is not an accident that there is very little support among the public for the death penalty except for the crime of murder—even though in eighteenth-century England, for example, the death penalty was employed in cheerful abandon for numerous crimes. I believe that the instincts of the public are correct on this issue: namely, that the punishment should fit the crime; i.e., that punishment should be proportional to the crime involved. The theoretical justification for this is that an aggressor loses his rights *to the extent* that he has violated the rights of another human being. If A steals \$10,000 from B, he should be forced, not only to return the \$10,000 (the “restitutionist” position, with which most libertarians would agree), but he *also* loses his rights to his own \$10,000; that is, he should be forced to pay the victim \$10,000 for his aggression.

But if A loses his right to \$10,000, should B, the victim, also have the right to have A executed for his crime? Surely not, for then the punishment would be grossly disproportionate. The criminal would then lose an important part of his

own rights, and B—the previous victim—and his accomplices, would now be committing their *own* act of aggression upon A.

It is relatively easy to allot monetary penalties in the case of theft. But what about such a crime as murder? Here, in my view, the murderer loses precisely the right of which *he* has deprived another human being: the right to have one’s life preserved from the violence of another person. The murderer therefore deserves to be killed in return. Or, to put it more precisely, the victim—in this case his surrogate, in the form of his heir or the executor of his estate—should have the right to kill the murderer in return.

Libertarians can no longer afford to wait to come to grips with capital punishment. It has become too pressing a problem.

The liberal thesis that capital punishment is brutal because it condones murder is fallacious because it takes the isolated act of killing the murderer out of context: the context of the previous murder that the aggressor had committed. We are familiar with the common charge that liberals, in weeping over the murderer, willfully ignore the far more tragic violence that he did committed on his victim; and this charge is surely correct.

Another common liberal complaint is that the death penalty does not deter murder from being committed. All sorts of statistics are slung back and forth trying to “prove” or disprove this claim. While it is impossible to prove the degree of deterrence, it seems indisputable that *some* murders would be deterred by the death penalty. Sometimes the liberal argument comes perilously close to maintaining that *no* punishment deters

any crime—a manifestly absurd view that could easily be tested by removing all legal penalties for nonpayment of income tax and seeing if there is any reduction in the taxes paid. (Wanna bet?) Furthermore, the murderer *himself* is certainly “deterred” from any repetition of his crime—and quite permanently.

In all cases, it is the victim—not society—who should bring charges and decide on whether or not to exact punishment.

But in any case, note that I did not couch my argument in utilitarian terms of deterrence of future crime; my argument was based on basic rights and the requirements of justice. The libertarian takes his stand for individual rights not merely on the basis of social consequences, but more emphatically on the justice that is due to every individual.

Some states provide for the death penalty only for murderers of policemen or prison guards, and not for any other cases of homicide. The libertarian can only regard such statutes as an obscenity. To levy capital punishment *solely* for killers of government officials, but not for murderers of private citizens, can only be considered a grotesque travesty of justice. Does this mean that the government proposes to protect fully *only* the rights of its own members, and not of anyone else?

So far we have gone all the way with the proponents of the death penalty, ranging ourselves with the instincts of the general public and against the sophistries of the liberal intellectual elite. But there is an important difference. For I have been stressing throughout the right of the *victim*, not that of “society” or the state. In all cases, it should be the victim—not

“society” or “its” district attorney—who should bring charges and decide on whether or not to exact punishment. “Society” has no right and therefore no say in the matter. The state now monopolizes the provision of defense, judicial, and punishment service. So long as it continues to do so, it should act as nothing more and nothing less than an agent for guarding and enforcing the rights of each person—in this case, of the victim.

If, then, a crime is committed, it should be up to the victim to press charges or to decide whether the restitution or punishment due him should be exacted by the state. The victim should be able to order the state not to press charges or not to punish the victim to the full extent that he has the *right* to do so. Thus, suppose that A aggresses against B; but B is a pacifist or doesn’t believe in punishment for whatever reason; the State should not be able, as it is now, to continue to prosecute A in the name of “society” even though the victim may be urging otherwise. Or, similarly, the criminal should be able to go to the victim and buy his way out of his prosecution or punishment; for in that case, the victim has agreed voluntarily to allow the criminal to pay him monetary restitution in lieu of other sanctions against him.

In short, within the limits of his proportional *right* of punishment, the victim should have the sole decision how much, if at all, to exercise that right.

But, it has been pointed out, how can we leave the decision up to the victim in the case of *murder*, precisely the one crime which removes the victim totally from the scene? Can we really trust his heir or executor to pursue the victim’s interests fully and wholeheartedly—especially if we allow the criminal to buy his way out of punishment, in dealing directly with the heir? This, however, is not an insuperable problem. The answer is to deal with the problem in the same way as any wishes of a deceased person are obeyed: in his will. The deceased can instruct heirs, courts, and any other interested parties on how he would wish a murderer of his to be treated. In that case, pacifists, liberal intellectuals, et. al. can leave clauses in their wills instructing law enforcement authorities *not* to kill, or even not to

press charges against a criminal in the event of their murder; and the authorities would be required to obey.

As a practical matter, in the here and now, and until such wills become a matter of common practice, libertarians can enter the political arena with the following clear-cut position, a position which not only endorses the fervent instincts of the general public, but will also instruct them still further on libertarian principles. Namely, that we advocate capital punishment for all cases of murder, *except* in those cases where the victim has left a will instructing his heirs and assigns *not* to levy the death penalty on any possible murder. In that way, the possessors of a liberal or pacifist conscience can go about their business assured that *they* could never be a party to capital punishment; while the rest of us can have the capital punishment we would like to have, free from the interference of liberal busibodies. ●

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The Movement

Taxes and the 1978 campaign

This is a key year for electoral politics. Inflation is heating up; the tax rebellion is at long last getting under way; the middle class is getting more and more frustrated; the Carter administration is in utter disarray. The issues of the hour are *our* issues, and libertarians are beginning to stand up and address them. More than anything else, this accounts for the new recognition given to libertarians—inside and outside the Libertarian Party—in the media.

Several young libertarians have recently gained some prominence, both locally and nationally, by addressing the issue of taxation in this country.

Jim Clarkson, the chairman of the Libertarian Party in Georgia, has led a continuing campaign against local taxes, making the fullest use of the media in the process. Every time a new tax or bond issue is proposed, Clarkson has been there, ready, willing, and able to do battle for local taxpayers. With several victories under his belt, Clarkson has perfected several unusually persuasive ways of getting his libertarian message across to people. Wit, sarcasm, and gentle ridicule are some of his specialties, and he has been talking before libertarian meetings and LP conventions across the country explaining how he does it, complete with a slide show of his techniques. Clarkson is a roguishly entertaining speaker who combines optimism with an ability to charm and delight an audience. His southern drawl, ever so slightly in evidence, merely adds to the fun. He should be badgered into speaking at every opportunity, and can be reached at the Libertarian Party of Georgia, 4 Coral Avenue, Rome, Georgia 30161.

James Tobin has also been busy of late. Tobin was one of the leaders of the recent tax revolt in Illinois, and has continued to work for much-needed tax relief. President of National Taxpayers United of Illinois, Tobin recently was quoted in a *Newsweek* cover story called

“Burned Up Over Taxes” (April 10). An articulate spokesman for libertarian antitax sentiments, he has attracted attention inside and outside Illinois as he continues to organize and speak out. We will be hearing more from Tobin in the future.

Yet another young libertarian who is making a virtual career out of opposing taxes and government waste is the energetic chairman of the National Taxpayers Union, James Dale Davidson. Jim Davidson has been active speaking and writing against taxes for many years, appearing on such prominent shows as Johnny Carson’s *Tonight* show, and in such forums as *Penthouse*, whose pages he graces frequently. While NTU occasionally misses the mark [see Tom Palmer’s review of their new booklet on property taxes in last month’s *LR*], Davidson’s published essays are usually insightful. His latest effort is one of his best, a rip-roaring dissection of the causes of “The American Middle-Class Tax Rebellion,” in the May issue of *Penthouse*. The short essay is touchingly eloquent, as these few lines will show.

“Taxation in America has become a pilfering of the spirit—a subjugation of your liberty, your life, and your dignity by other human beings. The politicians don’t just want your money. They want your soul. They want you to be worn down by taxes until you are dependent and helpless, as surely as you would be if some bloodsucker were draining your body. This is why you are taxed and taxed again, a hundred times in a hundred ways, until you are weak with an anemia that is worse than physical exhaustion. . . . Its object is your weakness.

The entire essay fills a scant two pages in *Penthouse*, but makes its case very well indeed. Reprints are available from the National Taxpayers Union, 325 Pennsylvania Avenue S.E., Washington, D.C. 20003. Write for other NTU information and publications as well.

With a growing number of eloquent and committed people such as these three, libertarians can begin to assume

their rightful place as the leaders of the revolt against taxes and big government.

The indispensable framework for this kind of activity is the Libertarian Party. It is unfortunate but true that the majority of the American people—not to mention the all-important national media—are only interested in hearing political issues addressed within the context of elections. It is therefore very important that the Libertarian Party be taken seriously as a political force in this country. To that end, it is crucial that the LP continues to grow in both quantity and quality.

That the Libertarian Party is being taken seriously on an increasing level is everywhere in evidence. One indication of such is an article on “The Libertarian Party” by Julian Weiss in the March/April 1978 issue of *Practical Politics*, a nuts-and-bolts political magazine published by the Center for the Study of Practical Politics. The article is respectful and serious:

With increased respectability accorded minor party movements, one faction is gaining increased attention from campaign observers and poli sci buffs. The Libertarian Party . . . clearly sees itself as a major third force during the 1980s and is busily taking steps to fill what LP leaders foresee as a political vacuum approaching shortly.

The Libertarians are a unique amalgamation. Their spokesmen and positions cover the full range of views across the standard liberal-conservative spectrum. First brought together as a political instrument in 1972, they declared opposition to ‘the omnipotent state’ and have ever since trumpeted laissez-faire economics at home (favored by the rightists) merged with non-interventionism overseas (supported by left-radicals). Government power—whether evidenced through military conscription, drug laws, high levels of taxation, social spending or undeclared war—is held with disdain. . . . The Libertarians ‘deny the right of any government . . . in the areas of voluntary and contracted relations among individuals.’ This would cover almost every sphere of activity, from prostitution and pornography to the Social Security tax and the Department of Agriculture’s broad range of activities.

The article goes on to summarize the history of the LP, highlighting its more successful races, concluding:

Since the demise of McCarthy’s independents and the collapse of the American

Independent-Wallacite parties, Libertarians have an opportunity to assume third party leadership. The flux of social and political events may themselves add cohesion to a seemingly informal libertarianist movement. The LP has made its mark with the 1976 returns, and will perhaps contribute to the serious dramas of government in the decade ahead.

This seems all the more likely as the Libertarian Party concerns itself with defining a coherent strategy in the months to come. Last fall, the National Committee of the LP adopted a "Statement of Purposes and Strategy." The purposes of the LP were said to be to educate both libertarians and the general public about the doctrines of libertarianism, to provide for political activity for libertarians, and to provide a vehicle to roll back state power in the United States. The strategy section said that "we must hold high the banner of pure principles and never compromise our goals: a world embodying the LP statement of principles. Any intermediate demand must be treated as it is in the LP Platform, as tending to the achievement of the pure goal and inferior to it. Therefore any such demand should be presented as leading toward our ultimate goal, not as an end in itself. Holding high our principles means avoiding completely the quagmire of self-imposed obligatory gradualism. We must avoid the view that in the name of fairness, abating suffering or fulfilling expectations that we must temporize and stall on the road to liberty. Achieving liberty must be our overriding goal."

The strategy statement went on to say that we must avoid committing ourselves to any particular order of destatizing America: "We should accept any and all destatizing measures wherever and whenever we can." It emphasized that libertarianism is not on the conventional left-right political spectrum. Endorsing ad hoc alliances, the statement went on to say that the LP should not endorse candidates who are not libertarians.

On May 14th, the LP National Committee met in Seattle, Washington, to discuss important policy matters. The committee adopted a statement of policy submitted by Murray Rothbard (an LP National Committee member), "On Coalitions and Alignments," which

was an attempt to define the LP's proper role when working alongside other groups to affect specific political issues.

According to the statement of policy, the LP should form coalitions or alignments with any other group—barring those in universal public disfavor, such as the KKK and other such organizations—but only on an *ad hoc* basis, never forming permanent organizational coalitions. The coalitions should be on specific, current political issues. Furthermore, "we should never extend our uncritical support to groups which happen to be our allies on particular issues."

A key part of the policy was that the LP should remain distinct from other political parties; toward this end, LP endorsements of Republicans and Democrats were discouraged. Moreover, the LP should disabuse the media and others of the notion that libertarians are conservatives, particularly since the LP is often treated as a conservative splinter group, which it is not. "The greatest single threat to American liberties is the pro-war foreign policy of the Conservative movement," the statement said.

State and local LP efforts are also being stepped up this year wherever possible. In Alaska, there is a strong possibility that one or more candidates for the State Legislature will be elected; New York has seen the beginnings of a rebuilding of the Free Libertarian Party, around the dynamic candidacy of Gary Greenberg for governor (more on this next month); Texas has more than 20 active candidates for political office; in California, the Ed Clark for Governor campaign is preparing its necessary ballot drive on the way to a six figure vote total in November.

Clark has begun an ambitious and well-coordinated campaign, kicking off with a number of speaking engagements and advertisements on major radio stations in the Los Angeles and San Francisco areas. Clark has spoken on platforms with personalities such as Thomas Szasz on his recent speaking tour of California, and Paul Gann, the coauthor of the Jarvis-Gann "Proposition 13" on the June ballot, a measure which will, if passed, reduce property taxes by nearly two-thirds in California. Clark has already been endorsed by Anthony Rus-

so, the manager of rock star Bette Midler, and an announced libertarian.

Clark is an attorney who has been chairman of the LP both in California and in New York, as well as a member of the National Committee since 1972. California libertarians had eyed the 1978 Governor's race with uncertainty until Clark was persuaded to make the effort. Clark hopes to help increase in a massive way the number of registered libertarians, and gain a vote total of somewhere between two and five percent—more than the expected difference between Jerry Brown and his Republican opponent.

Clark's major issues include taxation, education and crime. The controversy over the Jarvis-Gann tax limitation initiative on the June ballot has put the entire issue of taxation squarely before the voters. Clark proposes tax credits for education, to boost private alternatives to a massively inept public school system which is already heavily criticized by parents. And Clark will strongly advocate the abolition of victimless crime laws, while pointing out that the resources of the criminal system should be concentrated on violent crime *with* victims.

LP National Director Chris Hocker will spend an initial period of four weeks in California, setting up the petition drive (which will require 100,000 valid signatures to get Clark on the November ballot), and to establish a statewide network of volunteers and paid staff to coordinate appearances and media contacts for the campaign.

Together with the Alaska campaigns and the campaign of Gary Greenberg for governor in New York, the Clark campaign will be one of the most important Libertarian efforts in 1978 in terms of gaining national attention. LP strategists in California intend to use professional skills in order to carve a permanent niche for the Libertarian Party on the political spectrum. ●

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*Give me your tired, your poor,
Your huddled masses
yearning to breathe free*

THE CASE AGAINST THE IMMIGRATION LAWS

by Richard Ebeling

*Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed to me,
I lift my lamp beside the golden door!*

—Emma Lazarus

Economic privilege is never so visible as it is during periods of crisis and depression. What are merely lone voices crying for protection from the rigors of the market-place during normal times, becomes a chorus of special interests begging for high tariffs and import quotas to camouflage their inefficiencies. Rarely has the state turned a deaf ear to their pleas. More often than not, reason and consumer interest have failed in their attempt to withstand the pressure of those who have striven for gain through government intervention.

"The Protectionist creed rises like a weed in every soil," lamented the Classical economist Walter Bagehot over a hundred years ago. "Every nation wishes prosperity for some conspicuous industry. At what cost to the consumer, by what hardship to less conspicuous industries, that prosperity is obtained, it does not care . . . the visible picture of the smoking chimney absorbs the whole mind."

The economic recession of the past few years has revived the ideology of protectionism once again. The steel industry won limitations on the importation of European and Japanese steel by ranting about "dumping." American farmers mass at the Mexican border chanting incantations to ward off the flow of cheap food from south of the Rio Grande. And the trade unions conjure up the image of millions of unemployed workers if protectionist policies are not enacted to "save" American jobs.

All of these myths have been answered and demolished hundreds of times over. In every case logic has refuted the conclusions of the protectionist rationale. And in every instance it has been demonstrated that the purpose of the restrictions were to preserve the economic status of some while victimizing others.

The most indidious form of protectionism, however, does not pertain to the barriers placed in the way of the free movement of goods. As harmful and as illogical as these interventions are, none cause the human hardship and misery that immigration restrictions impose.

The importance of the principle of *laissez-passer* was understood early in American history. It was clearly enunciated by Thomas Jefferson, when he insisted upon " . . . the natural right which all men have of relinquishing the country in which birth or other accident may have thrown them, and seeking subsistence and happiness wheresoever they may be able, or may hope to find them."

Leaving behind poverty, despotism, war and conscription, millions came to the American shores, to build "a nation of immigrants." Between 1800 and 1840, about 800,000 immigrants arrived in the United States, of whom 750,000 remained in America. And from the middle of the 19th century until the 1930s, gross immigration tended to exceed 200,000 per year (with the number exceeding 1,000,000 per year on six occasions).

Of course, this inflow of immigrants was not without opposition. There were those who feared the "alien" element and the "impurities" that were "polluting" the American soil. In 1903, John R. Commons, a leader of the American Institutionalists, begged for limitations on the immigration of particular ethnic groups. "Our democratic theories and forms of government were fashioned by but one of the many races and peoples," Commons insisted.

America was not the child of one racial or cultural strain, but rather the offspring of diversity and change. America developed precisely because of its multicultural fluidity, constantly fed by newcomers.

"That race, the so-called Anglo-Saxon, developed them out of its own insular experience unhampered by inroads of alien stock."

But arguments such as Commons had already been shown the contempt they deserved during the heyday of the Know-Nothing Party in the mid-19th century. In 1855, Abraham Lincoln expressed his disgust with this "Americanist" philosophy. "When the Know-Nothings get control," Lincoln said, "it [the Declaration of Independence] will read 'all men are created equal *except negroes and foreigners and catholics*.' When it comes to this, I should prefer emigrating to some country where they make no pretense of loving liberty—to Russia, for instance, where despotism can be taken pure, and without the basic alloy of hypocrisy . . ."

The nation of immigrants

Now, in fact, it is difficult to see what exactly that American "stock" was that Commons and others were so concerned about preserving and protecting. To the contrary, America's history has been one of ever-new faces and peoples. America *has* truly been a nation of immigrants.

In the 1830s, 500,000 new arrivals touched upon American soil. In the 1840s, that number increased to 1.5 million, with an additional 2.6 million added in the 1850s. By the turn of the century, ten million people of foreign birth were living in the United States. And out of a total U.S. population of slightly over 76 million, 26 million were the children of foreign-born parents.

During the period 1900-1920, approximately 13.5 million more immigrants arrived in America. It was only the post-World War I hysteria about foreign subversives

and the influence of vested interests that brought that movement to an end. As the historian Charles Beard aptly put it, "The gates of the once wide-open 'asylum for the oppressed of all lands' had been brought together with a bang . . ."

In the period 1931 to 1945, only 900,000 new people were allowed entrance. In the post-World War II era, the fear of foreigners dampened slightly and 4.4 million were allowed to enter the country between 1945 and 1965.

This multitude of humanity, however, had not been the product of one culture, but of many. In vast numbers they came from Britain, Ireland, Germany, Italy, the Balkans, Russia, Mexico and Asia. America was not the child of one racial or cultural strain, but rather the offspring of diversity and change. Not bound by one cultural heritage or one concept of social strata, America developed precisely because of its multicultural fluidity—constantly fed by newcomers supplying fresh spirit and potential.

America became a wide-open—yes, let's not be afraid to use that cliché—"land of opportunity." It was clearly seen by the Italian classical liberal Guglielmo Ferrero. Writing at the turn of the century, he gave

thanks to the almost complete lack of intellectual protectionism—that is, of academical degrees which ensure the monopoly of certain professions—thanks, in consequence to the lack of a government *curriculum* of unprofitable studies, America is exempt from an intellectual proletariat and from the *declasses*, the chronic disease of the middle classes in Europe. Let him who can do a thing well step forward and do it, no one will question *where* he learnt it: such is the degree required of an American engineer, barrister, clerk, or employee.

At the heart of the anti-immigration sentiment, however, has been the belief that the newcomers glut the labor market, lower the level of wages and rain economic misery upon the domestic population. The racist elements merely serve as the convenient method of separating "them" from "us." This is most obviously seen in the case of the Chinese. Within two years of the California gold discoveries in the late 1840s, at least 25,000 Chinese had come across the Pacific to serve as the manpower in the gold fields and mines. The number of Chinese brought over soon increased with the building of the western railroads. Comprising nine percent of California's population between 1860 and 1880, the Chinese were accused of lowering the wages of white workers. The Caucasian clamors reached hysteria levels after 1869, with the completion of the Union Pacific Railroad. With *European-born* workers often taking the lead, the anti-Chinese feeling resulted in riots, plundering and murder.

In 1882 (four years before the Statue of Liberty was given to the United States), the first immigration laws were imposed upon the Chinese. From 40,000 Chinese immigrants in 1882, the number tumbled to ten in 1887. Even to stay in the United States every Chinese required the sworn testimony of a white man. Writing in a recent issue of *Society*, Betty Lee Sung explained that "before 1943 Chinese immigrants were not permitted to become citizens no matter how long they had resided in this country. . . . They were forbidden by the Alien Land Acts to own land.

. . . They were also denied the right to intermarry in many western states."

More recently, the unfair labor competition arguments have been directed against the potential Mexican immigrant (though more generally to all immigrants). With a force of 9,600 men and a budget of \$250 million, the Immigration and Naturalization Service (INS) every year sends its men scurrying along the U.S.-Mexican border rounding up "illegals" and sending them back to a Mexican economy that suffers from high inflation and an unemployment rate of 20 to 30 percent. In 1973, the INS deported 655,928 of these "aliens"; in 1974 788,145; in 1975, 766,600; and in 1977, the number exceeded one million.

However, for every one potential immigrant captured at the border, the INS admits three to five others escape detection and join the estimated seven to 12 million illegal aliens already residing in the United States.

Economic consequences

Thus the logical step is to ask what exactly are the economic consequences that follow from the free flow of people from one geographical area to another. Let us first abstract from the rest of the world and inquire into how a labor force is distributed within our own country.

Within America, freedom of trade and freedom of movement are established principles. At any given moment in time, consumers are spending their income in a manner that reflects their relative preferences for various goods and services sold on the market. In turn, producers are purchasing various factors of production—including labor—in the anticipation that the costs incurred in hiring them will be compensated when their products are sold on the market. Workers, in turn, look for the best job opportunities that they can find, based upon their view of which employers are offering the highest wages and best working conditions, given the particular skills that they possess.

Producers establish their businesses in various parts of America based upon, among other things, the location of raw materials necessary for their production activities and the transportation costs that must be paid to get the products to their markets. The laborers will, to the extent that they are willing and able to bear the cost of moving from one location to another, move from one job to another in such a way that the same wage rate tends to be paid in all parts of the country for each of the respective types of labor. (Unions, the cost of living, welfare benefits, unemployment insurance, and other such differences, of course, might lead people to act differently.)

Suppose there occurs an increase in the demand for the products produced in a particular part of America—in California, for instance—and a decrease in the demand for products made in, say, New York. The anticipation of a higher selling price for their products will induce these California producers to offer higher wages, to attract more workers into their industries. On the other hand, the fall in the demand for New York products will result in those producers offering wages lower than before. The fall in New

York wages rates will create an incentive for *some* of those workers to migrate to California where higher wages are now available. As more and more workers move to California, the increase in the labor supply will begin to lower California wages. And as more and more workers leave New York, the decrease in the labor supply will raise New York wages. The process will come to an end when the wages received in New York and California are roughly equivalent and the incentive for migration has disappeared.

Of course, there will be some individuals who, because of nonmonetary attachments to their hometown or home state, may choose not to move when a change in wage rates occurs between two locations. Thus, the people residing near Lake Tahoe may decide to remain there even though higher wages could be received somewhere else. In turn, some people may choose to move from somewhere else without monetary incentives; a desired change in climate or a disapproval of the ideas or morals of the people around them may stimulate immigration to another part of America.

Immigration to California due to these nonmonetary reasons will tend to cause lower wages there. But it will, on the other hand, set off market forces to correct the imbalance. Other areas of America will be offering wages

Workers look for the best job opportunity that they can find, based on their view of which employers are offering the highest wages and best working conditions, given the particular skills that they possess.

that now are higher than in California. For some residents of California, this will act as an incentive to move elsewhere, until wages are once again adjusted throughout America.

The same principles apply when the geographical area being considered incorporates more than one country. This is most clearly seen when we consider the case of Mexico and the United States. Prior to the U.S. Immigration Act of 1924, movement between the two countries was completely open. A major emigration from Mexico occurred during the decade 1910-1919. The initial cause was the extreme violence in Mexico during that country's revolutionary war. However, labor shortages (particularly in agriculture) began to develop once the United States entered the First World War. In 1910, 17,760 Mexicans moved into the United States. In 1919, the number increased to 28,844 new arrivals. It peaked in 1923, with the movement of 62,709 Mexicans to areas north of the Rio

Grande. But the 1924 immigration act soon brought this torrent to a halt, and by 1933 only 1,000 Mexicans were being allowed into the United States each year. Under the 1968 immigration act, only 120,000 people from the Western Hemisphere were allowed into the United States annually, with Mexico being allowed a maximum of 40,000 out of that total. (Of course, the restrictions on free movement have not been totally the fault of the United States. Under Article 123 of the 1917 Mexican constitution, the unregulated hiring of Mexican citizens by foreign nations had been prohibited.)

The barriers placed in the way of free immigration have prevented the adjustment of wage rates between the United States and Mexico. Under *laissez-passer*, the discrepancy between what was paid for one type of labor in the United States and what was received for same type of labor in Mexico would act as an incentive for workers to move, until economic adjustments were made. Instead, this rigidity imposed on the market by the governments concerned has caused the wage differentials to widen more and more.

In 1976, the average hourly wage for agricultural labor in the United States was \$2.66; in Mexico, the average hourly wage in the agricultural industry was equivalent to \$0.45. In 1977, U.S. manufacturing industries paid, on the

Some 32 "exclusion" categories expressly forbid individuals with particular talents from residing in the United States—lumping physicians with prostitutes.

average, \$5.65 an hour; in Mexico, the equivalent wage was \$1.58 per hour. The hourly average wage for American construction workers in 1974 was \$6.54; in Mexico, it was \$0.84 an hour. In 1973, in the United States, the average hourly salary on the principal railroads was \$5.40 (on local railroads and bus lines it averaged \$3.97 an hour); in Mexico, the equivalent wage rate in the transportation industry was \$0.94 an hour.

While Mexican immigrants in the United States may earn less than the national average in these areas, they will still earn much more than they would have in Mexico.

It is not surprising, then, that many Mexican workers desire to immigrate to the United States. And what would be the terrible consequences if the gates were opened to these Mexicans? In those industries in the American economy that would be affected by the larger labor supply, a lowering of wage rates would occur. Some of the workers in those industries might have to shift to work in other established firms. However, there exist alternative possibilities as well. Since labor, like any other commodity, is a scarce resource, the larger labor force in America

could enable a greater intensification of the division of labor—thus raising the productivity of workers in general. The larger supply of workers would also enable the application of labor towards the production of goods and services that previously could not be supplied at all because of the scarcity of hands. As Stephen Chapman points out in his excellent article "Let the Aliens In," in *The Washington Monthly* (July-August 1977):

Many of the jobs held by illegal aliens are the kind that few Americans would accept, regardless of their skills. A California businessman who hires illegals told *New West* magazine, "If you pulled out every illegal alien in Los Angeles at midnight tonight, you would wake up tomorrow morning in a town without busboys, maids, or parking-lot attendants."

Chapman cites a case in San Diego in which the State Human Resources Agency could not fill 2,154 jobs "made available by the deportation of illegal workers."

Privilege vs. freedom

The flexibility of wage rates—a necessary ingredient for a stable and progressive economy—has been something vehemently resisted by the trade unions. Their opposition to free immigration has always been a key element in their drive for union privileges. "The oft-referred to 'miracle' of the high wages in the United States and Australia," Ludwig von Mises has observed, "may be explained simply by the policy of trying to prevent a new immigration, . . . that the unions in all those countries which have more favorable conditions of production, relatively fewer workers and thus higher wages, seek to prevent an influx of workers from less favored lands. . . ."

At the turn of the century, for example, Samuel Gompers insisted that "as these immigrants flooded basic industries they threatened to destroy our standards." Gompers proudly added that "as a nation we began to consider policies of regulation. The labor movement was among the first organizations to urge such policies. . . ."

The restrictions pertain, however, not only to unskilled labor and farm workers, but to all types of skilled labor, as well. In fact, there are 32 "exclusion" categories expressly forbidding individuals with particular talents from residing and working in the United States. Pressure from the American medical profession has resulted in foreign medical graduates being placed on that restriction list. Laurier B. McDonald, a Texas lawyer long involved with illegal alien cases, has pointed out that existing law "places physicians in the same category as prostitutes, thieves, idiots and subversives."

The immigration laws have both seen and unseen consequences. The obvious effects are evident all around the world. They are seen in the state of starvation that is the human condition in dozens of countries; they are seen in the cardboard hovels that many Mexicans call "home," in the area surrounding Tijuana and Ensenada; they are seen on the faces of the desperate individuals who time and time again make the vain attempt to enter the United States—both legally and illegally; and they are seen in the mass attempts to escape from various despotisms and in the

bickerings among nations over who will have to take these refugees—most recently in the cases of the Ugandan Asians, and with the Vietnamese and Cambodians.

The unseen burden of immigration laws falls upon those who illegally reside in the United States. As Stephen Chapman wrote, in his *Washington Monthly* article:

The illegal alien's outlaw status undercuts his bargaining power and compels him to accept nearly anything his employer chooses to inflict on him, from low pay to long hours to poor working conditions. . . . If he is maltreated, defrauded, or injured on the job, he is not likely to seek legal redress. All the pressures on the illegal worker encourage him to do what he's told, take whatever pay he's given and keep his mouth shut. . . . If he complains, his employer can fire him or even have him arrested by the INS.

While it is the trade union and professional association members who benefit from the barriers that prevent the arrival of new competition, the immigration laws rebound to the advantage of those business firms that hire the illegal aliens once they have entered the country. In the grasp of these employers is a pool of labor ripe for economic exploitation. The life of the illegal aliens become a nightmare of fear—fear of the demands of the employers on one side and the fear of apprehension by the state on the other. The incentive for exploiting these workers is reinforced by the laws that make it a felony to be an illegal alien, but not to hire one.

Economic reality and basic human justice, therefore, call for the immediate removal of all immigration and emigration restrictions.

One might object that there still remains the problem of the welfare state. Just as the differential in welfare payments between various states has enticed a migration of people to the high-paying welfare areas in America, the same process might occur among nations. But surely this is more an argument against the continuance of the welfare state itself than against the free flow of people. The existence of one set of statist impositions should not be the rationale for imposing yet another set.

Moreover, as Chapman has pointed out, the picture of the illegal alien as a welfare-grasping bum is viciously unjust: "Aliens, like most immigrants, generally appear eager to accept work of any kind because of the social stigma they attach to not working, the improvement it represents over jobs in their native countries, and the hope of advancement." Moreover, a Department of Labor study by David North and Marion Houston reported the following in 1976:

This group of illegal alien workers were significantly more likely to have participated in tax-paying systems (many of which are automatic) than to have used tax-supported programs . . . while 77 percent of the study group reported that they had had social security taxes and 73 percent reported that they had federal income taxes withheld. Only 27 percent used hospitals or clinics, four per cent collected one or more weeks of unemployment insurance, four percent had children in U.S. schools, one percent secured food stamps, and .5 percent secured welfare payments.

In San Diego County, the best estimates are that the county's cost in "social services" to illegal aliens is about \$2

million, while the aliens' taxes amount to more than \$48 million. To this, Chapman appropriately responds: "Instead of aliens being a burden to the rest of us, it's the rest of us who are a burden to the aliens."

Even those who should know better fall into the collectivist snares. In a letter to the London *Times* on February 11, 1978, Professor Friedrich A. Hayek—himself an immigrant several times in his life—praised the British Conservative leader, Margaret Thatcher, for her call for stringent immigration controls. "While I look forward, as

In San Diego County, the best estimates are that social services to illegal aliens cost about \$2 million, while the aliens' taxes amount to more than \$48 million.

an ultimate ideal, to a state of affairs in which national boundaries have ceased to be obstacles to the free movement of men," Hayek declared, "I believe that within any period with which we can now be concerned, any attempt to realize it would lead to a revival of strong nationalist sentiments."

The problem facing the world is not the *possibility* of a revival of nationalism and other collectivist atavisms, but rather that they *already* dominate all social thought and policy. We cannot passively wait for the day when mankind will somehow "naturally" evolve out of collectivism. It must be resisted and abolished—and that includes the abolition of immigration barriers and the human suffering that they cause.

We must embrace the philosophy expressed by the French classical liberal, Emile Levasseur:

As a free and unfettered commercial intercourse between two countries is advantageous to both, for by the exchange of their commodities the producer and the consumer are both benefited, so also must the unrestricted circulation of the human race be advantageous to all countries concerned . . . it . . . must be viewed in the more comprehensive and enlightened scope of the enormous benefits it confers upon the human race at large.

If human liberty is to be complete, *laissez-faire*, the freedom to trade, must be at long last matched by *laissez-passer*, the freedom to move. The standard of the free society must once again be raised high, and America must once more become, as it was in the beginning, the "nation of immigrants," and the land of individual liberty. ●

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

LET'S HEAR IT FOR THE FIRST AMENDMENT

[WHILE WE STILL CAN]

GOVERNMENT CENSORSHIP is about to take a great leap forward.

A government agency—The Federal Communications Commission—believes it has the right to act as our parents and restrict the broadcast of certain words at times when children just might be listening—*regardless of any literary, artistic, or social value or the fact that this could seriously limit free expression in the broadcast medium.*

The FCC acted after WBAI—a listener sponsored Pacifica radio station in New York—broadcast a monologue by comedian George Carlin about “seven words you can’t say on TV” which satirizes how people get uptight by the use of certain words.

Their mailbox clogged with one letter of complaint, the FCC ruled Pacifica to be in violation of the Federal Communications Act. In deciding that a government agency has the right to tell broadcasters what they can or cannot say on the air, they essentially trampled all over the First Amendment.

When Pacifica challenged this ruling, a U.S. Court of Appeals held that the FCC had overstepped its authority in banning “indecent language” at certain hours and that it had wrongly entered into “the forbidden realm of censorship.”

Undaunted, the FCC has now taken the “Carlin Case” to the Supreme Court which will consider this critically important constitutional question: *Do all First Amendment rights traditionally enjoyed by free press also extend to radio and television?*

Opposing the FCC—standing up for the right to broadcast a free flow of in-

formation and your right to hear it—is Pacifica radio. Broadcasting for thirty-two years, Pacifica is known as “First Amendment Radio,” unrestricted by advertisers and committed to the presentation of all points of view.

What happens in the Carlin Case will not only affect Pacifica but the entire broadcast industry as well. And this, of course, affects YOU.

It’s been a tough and expensive battle for us. . . . Now we’re asking for your help. Your contribution to the Pacifica First Amendment Fund will help insure that one of our most basic freedoms—the freedom of speech—will remain intact. And, it will help us keep on broadcasting words that the government would rather not hear.

BANNED?

*The Bible
Aristophanes
Shakespeare
Jonathan Swift
Ernest Hemingway
Dylan Thomas
Chaucer
Margaret Mead
George Orwell
Lord Byron*

The Nixon/Watergate Tapes

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IS THERE HOPE



FOR FRANCE?

GISCARD & NEOLIBERALISM

BY LEONARD LIGGIO

The French parliamentary elections in March produced a defeat for the Left unexpected by the media. Although the Communists had done their utmost to prevent a leftist victory (since such an outcome would have benefitted the rival Socialists, rather than themselves), all prognostications pointed to a leftist triumph. Yet the winner was a center-right coalition led by parties allied with President Valéry Giscard d'Estaing. Giscard's coalition gained votes at the expense of the right, the Gaullist party.

More surprising than the leftist defeat, in this era of Western collectivism, was the principal focus of the Giscardiens' campaign: a return to neoliberalism. *L'Express*, the French newsweekly, headlined, in its April 24-30 issue, “For the first time in 30 years, the employers will be free to set their own prices. A disengagement of the state which means fewer constraints, but also more responsibilities.” The Giscardiens emerged from the campaign as

unintended advocates of *néo-libéralisme à la française*. “Under pressure to disassociate themselves from the Common Program of the Left”—i.e., nationalization—*L'Express* observed, the Giscardiens “have rediscovered the virtues of liberalism”—its *electoral* usefulness, at any rate. “In reintroducing the liberal idea, the Giscardiens sought to win over the two key constituencies of the [Gaullists]: the middle classes and the business world.”

The Giscardiens had to try to separate themselves from their right-wing allies, the Gaullists. Neoliberalism provided the Giscardiens with an identity separate from the interventionism and planning of Gaullist policy. Jacques Chirac, the Gaullist leader, had declared (*Le Monde*, March 2-8, 1978): “Our approach to economic problems differs from classical liberalism, which had the tendency to await the spontaneous return of the economy to its previous prosperity.” The Gaullists traditionally have considered themselves as part of the Republican Left in

ITALY AFTER MORO

The murder of Aldo Moro by the Red Brigades has had an impact on Italian politics in several ways. The Italian government did not react as the kidnappers hoped, by imposing states of emergency, introducing the death penalty and suspending the right of defendants to a speedy trial. The government *did*, however, extend some of its powers at the expense of basic civil liberties, but did not attempt a major grab for special powers. In addition, the parliamentary alliance between the Christian Democrats and the Communists has remained strong. In the aftermath of Moro's death, the Christian Democrats permitted enough of their parliamentarians to deviate from the party line to allow the passage of an abortion law. This avoided the repetition of the huge defeat suffered by Christian Democrats when they campaigned against divorce reform in a national referendum.

However, the removal of Moro from the political scene eliminates a major force for stability in Italian politics. Moro was the one candidate for president this fall who was acceptable to both Christian Democrats and Communists. He had worked out the first opening to the left in the early 1960s to include both the socialists and social democrats as supporters of Christian Democratic cabinets, and, more recently, had produced the arrangement for Communist parliamentary support of the Christian Democrats.

Moro's primary characteristic—prudence—was first revealed when, in the late 1940s, as undersecretary of state for foreign affairs he absented himself from the hotly contested vote on NATO. The late Palmiro Togliatti, who built the modern Italian Communist Party's popular support, admired Moro's prudence and publicly expressed the wish that Moro would be the leader of the CP. Moro, from Bari in southern Italy, had extended the characteristic Christian Democratic and southern Italian talent for political negotiations and formation of coalitions into the highest art. He was reknown for the patience, passivity, prudence, and erudition which is valued in political leadership.

In 1959, Moro became Christian Democratic secretary-general, in place of Amintore Fanfani—who, as premier and foreign minister, was leftist on domestic affairs but had a pro-American foreign policy. Presently, Fanfani is president of the Italian Senate, from which he will attempt to gain the presidency of the republic. In 1963, Moro became prime minister and held that office at crucial times in the 1960s and 1970s. He also had been foreign minister on a number of occasions. Recently, Moro had served as president of the Christian Democratic party.

In the absence of Moro, the next president of Italy is likely to be a dark horse. One strong candidate, however, is 75-year-old Ugo La Malfa, leader of the small Republican party, who as budget minister had been a strong proponent of balanced budgets and of fighting inflation.

France—but on the side of collectivism and cartelization in the dichotomy of the left of liberty vs. the left of collectivism—against the right of feudalism.

After Charles de Gaulle's resignation as president in 1969, Gaullist president Georges Pompidou appointed as premier Jacques Chaban-Delmas—former minister of defense and leader of the Gaullists in the 1950s (when de Gaulle had withdrawn from politics), president of National Assembly (1958-59), and mayor of Bordeaux for almost 30 years. In 1972 Chaban-Delmas was replaced by a cabinet of bureaucrat Gaullists, rather than party Gaullists. Minister of Interior (in charge of internal administration and police) in the new cabinet was Jacques Chirac. When Pompidou died in April 1974, Chirac refused to support the Gaullist candidate for president, Chaban-Delmas. After the withdrawal from the presidential elections of the Center candidate, Edgar Faure (a politician of the 1950s who had become de Gaulle's minister of education), Chirac threw his support to Pompidou's minister of finance and the leader of the historic, free enterprise, Independent Republican party, Valéry Giscard d'Estaing. In the first ballot of 1974, Giscard received 33 percent of the vote to Chaban-Delmas' 15 percent (the Left candidate, François Mitterrand, received 43 percent.)

Giscard had won the support of many former pro-Gaullists, and he opposed Mitterrand in the second round, receiving 50.7 percent of the vote to Mitterrand's 49.3 percent. Chaban-Delmas had attacked Giscard's "laissez-faire" image: "We must be wary of the 'laissez-faire' enthusiasts who tend to advocate, in fact, 'laissez everything.' They play the role of the dashing officers in our passive, egotistical society. In the name of liberalism and modernism, they solve society's problems without taking into account the hardships their solutions impose on the individual." Chaban-Delmas attacked Giscard for espousing the traditional Gaullist, independent—or non-U.S. dominated—foreign policy, although he was supported by the pro-NATO politicians. Giscard put together a coalition of regions that had supported Pompidou, plus other regions that were Centrist, on the basis of opposition to collectivization and to making all citizens into civil servants.

Giscard first entered the cabinet as deputy to Antoine Pinay, who was de Gaulle's finance minister (1958-60) and had resigned in opposition to inflationary policies. Pinay had been the prime minister and leader of the Independent Republicans who had saved the franc in the early 1950s by basing government bonds on gold. Giscard served as finance minister from 1962 to 1966 and from 1969 to 1974. Although opposed to inflationary policies, Giscard leaned toward monetarist views rather than the hard money position of Pinay. Pinay relied on the advice of Jacques Rueff, and in 1958 accepted Rueff's goal of freeing the French economy from controls and political rigidities (Rueff, who had sought to uphold hard money as monetary advisor to Raymond Poincaré in the 1920s and Pierre Laval in the 1930s, was favorably impressed by the then-current premier Raymond Barre's plan to free the economy and prices from control of the government; Rueff, member of the Academy of Moral and Political Sciences, president of

the Society of Political Economy, member of the French Academy, and chancellor of the Institut de France, died this past April 23 at age 81.)

Rueff struggled for several decades against the world monetary system imposed by the United States. "It was this liberal world, which he had defended since his youngest days, which risked, according to him, being undermined by the shameless profligacy and recklessness of the United States," observed Pierre Drouin in *Le Monde* after Rueff's death. Giscard's money policy is, consistent with French liberalism, more a hard money policy than that of American conservatives. Recently, in Copenhagen, Giscard called on Europeans to follow France's lead in freeing its money from the capricious tyranny of the inflated and increasingly valueless American dollar.

After his election as president in 1974, Giscard rewarded Chirac with the premiership. But Chirac was worried about increases in Leftist voting power, and proposed that Giscard hold early parliamentary elections—with Chirac leading a campaign against the threat of atheistic communism by supporting a traditional Gaullist, paternalistic welfare program, with its accompanying inflation. Giscard then removed Chirac, who last year ran for mayor in the Gaullist stronghold of Paris, winning a strong power base from which to challenge Giscard in the 1981 presidential elections. In his place, Giscard appointed economist Raymond Barre as premier.

The Gaullists represent the traditional, Catholic right-wing. They prefer to attack Giscard over divorce and abortion, although they demand full employment and inflation. While they are supporters of gold, the Giscardiens are more modern, more optimistic than the Gaullists. The Gaullists do not attract young voters, while the young Giscardiens—*Generation sociale et libérale*—have attracted the younger voters. In the recent parliamentary elections the Giscardien coalition (the Union for French Democracy) and the Gaullist Rally for the Republic were able to unite around Giscard's opposition to government invasion of personal life and the protection of traditions destroyed by bureaucratic actions. Also, they share common ground in their support for European independence from U.S. and Soviet defense blocs, and for freedom from domination by the inflated dollar.

In preparing for the elections, the Communists demanded immense nationalization of industry—a position which, while rallying traditional Communist voters, would alienate Centrists from the Communists' ally, the Mitterrand Socialists. Mitterrand's career had begun in the mid-1950s when, as minister of justice in 1956, he carried out the purge of the Poujadist anti-tax movement deputies who had been elected at the time. He later joined the Socialists who were attempting to add middle-of-the-road voters to their ranks. With this approach the Socialist party has made strong gains in recent elections. The Socialist threat to outdistance the Communists in total votes is what led the Communists to make extreme demands, in order to undercut the unity of the leftist bloc. Despite the CP's destructive actions, Mitterrand is committed to working with the Communists. This is a special disappointment for

American officials, who would like to see an alliance between Giscard and Mitterrand, with the latter as premier, and the Socialist party as the backbone of the coalition. What the American officials want is a left, welfare, economic planning cabinet, behind which is a moderate, respected president to keep it from going too far too fast. Mitterrand, to separate himself from his CP allies, has put forward a pro-U.S. identity. The Socialists received 28 percent of the vote, the Gaullists, 26 percent, the Giscardiens, 24.5 percent, and the Communists, 18 percent (a drop of three-and-a-half percentage points compared to 1973).

Giscard appealed for a large turnout, and 83 percent of those eligible voted. In addition, the Giscardiens benefitted by the large vote. Although the Gaullists received a plurality of seats in the parliament (148, a loss of 36 seats), the Giscardiens received more than six million votes and have 143 seats in parliament, a gain of about 25 seats. From being a temporary beneficiary of Giscard's presidential victory in 1974, the Giscardiens have become a stable and voter-recognized political party. Many supporters of Pinay's and Giscard's earlier Independent Republicans, who had voted for de Gaulle, appear to have returned to the fold. In addition, the Giscardiens have gained the regular support of the several Centrist parties, who have joined Giscard in the Union for French Democracy and whose leaders are members of the cabinet. These voters include a lot of those whom Mitterrand had hoped would vote Socialist, but who were distressed by the CP's hard line on nationalization during the campaign. In addition, the Socialists lost about one million occasionally socialist voters, who voted Gaullist.

The Gaullists and Giscardiens benefitted from voters of one party voting for the other party's candidates in the second round of balloting. Although Communists voted in discipline, the Socialists abstained in districts where the Communist candidate made the second round or where the Communist came in ahead of Socialists in the Socialist's traditional districts. The affirmation of the Socialist union with the Communists before the second round caused a lot of Centrist voters to abstain or vote for the center-right. The Giscardiens made strong gains in the east—Champagne, Lorraine and Alsace—and in the west—lower Normandy and Brittany. The traditional Left bastions remain in the industrial North and the areas around Paris, and the center, southwest and southeast.

At the opening of the new parliament, the Gaullists and Giscardiens supported rival candidates for president of the National Assembly. Chirac supported the out-going president of the chamber, Edgar Faure, who was defeated by the previous chamber president, Jacques Chaban-Delmas. Thus, Giscard now has a leader in the chamber who has strong support from the largest bloc, the Gaullists, while the Giscardiens engage in the task of building an expanded popular base on the basis of their new-found neoliberalism. ●

Leonard Liggio, an associate editor of LR, is editor of the new scholarly journal, *Literature of Liberty*, published under the aegis of the Cato Institute.

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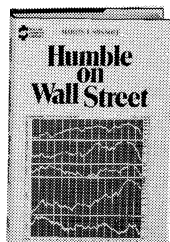
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PORNOGRAPHY & THE FREE MARKET

by JOAN KENNEDY TAYLOR

There is no doubt that pornography is a profitable business in today's world, and not just in the sleazy "combat zones" that are springing up in large cities, either. An investigative article that appeared last year in *The Berkshire Sampler* (a small Sunday newspaper that circulates in Berkshire County in western Massachusetts) cites a woman storekeeper who sells pornographic magazines even though she thinks them "horribly exploitive of women and disgusting." Why does she sell them? asks journalist Julie Michaels, who reports: "The answer is a simple matter of dollars and cents. 'We can't afford not to sell them,' she replied. 'They're more expensive than most other magazines and we make 20 percent of the purchase price on every issue sold.' That works out to 30 or 40 cents a copy pure profit. The simple fact is that girlie magazines, porno pix—call them what you will—help pay a substantial portion of the Berkshire shopkeeper's rent."

Similarly, an article in the real estate section of the *New York Sunday Times* of April 3, 1977, in reporting the influx of "adult" movie houses in residential areas, explained,

Theater managers who play X-rated films argue that for small independents, pornography is the only way to survive. "I don't know anyone who plays porno because he likes porno," one spokesman said. "I play it because otherwise I'd be out of business."

There is no disputing the fact that theaters everywhere are closing up because of rising costs and shrinking audiences. Pornography becomes lucrative because it allows the small en-

trepreneur to book a low-budget, low-cost production with the knowledge that patrons will pay \$4 a head to see it, a price that other audiences would balk at except for big-budget, first-run movies.

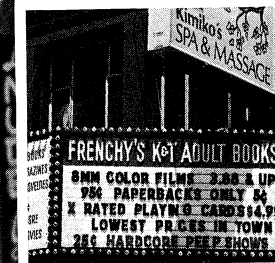
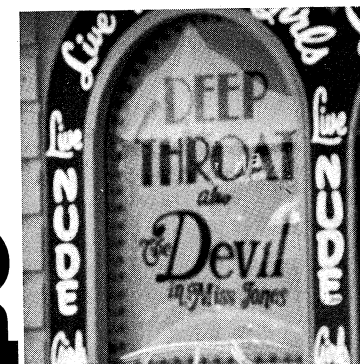
In addition, pornography draws its audiences from all over, so a theater does not depend on the neighborhood for support. "Like it or not," said one theater manager, "when we play regular movies we lose money. A lot of people want to see porno, and a lot more come from the neighborhood than it cares to admit."

Some, but by no means all, of this phenomenon can be explained by government regulation. The zoning of "combat zones" certainly operates in part to put an official stamp of approval on pornographic businesses. Moreover, Ron Chernow tells us in the August 22, 1977, issue of *New York* magazine, past government antitrust action is one of the reasons why major motion picture studios are no longer making enough films per year to meet the demand.

"Asked about the product shortage," he writes, "studio executives hark back to 1948. In the famous Paramount case of that year, the federal government divested the studios of their theater chains." He continues,

Executives argue that before that time, they had an incentive to supply a steady stream of product. Also, assured of playing time at their own theaters, they could afford to do art pictures of a more esoteric nature. But in the wake of the Paramount decision, and with the growing competition from "free" and cable TV, the studios have had to concentrate on mass-audience films released at peak holiday periods.

And Chernow concludes: "Many editorial writers have focused upon the porno explosion as a symptom of moral

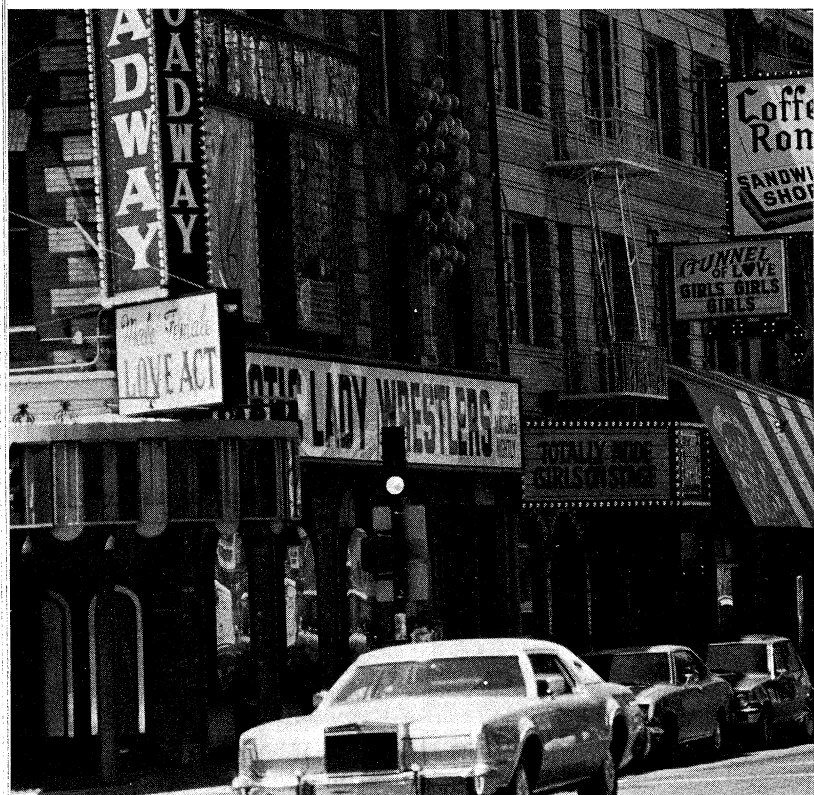


degeneracy in America. But there is a simple economic explanation. . . . If Hollywood doubled its output of films, many porno houses would gladly switch to family entertainment."

However, leaving aside the effects of government action, there is certainly a substantial market for pornography today, and this fact has led people to the question, *is it the expression of an idea, or an article of commerce?* The answer, which throws many people into confusion, is that it is *both*. This is true of all books and newspapers (and more recently, motion pictures) of course; but while political or religious content that is unacceptable to people is called *wrong ideas* (and treated by Americans with constitutional respect), it is only, so far, sexual content which is considered a *non-idea* (which is therefore subject to legal regulation).

Journey to the Comstock Law

Until the last quarter of the nineteenth century, the regulation of obscenity in the United States was confined to the regulation of conduct and of articles, rather than of printed matter. The main reason for this, in my opinion, has been that the Constitution has a double standard when it comes to individual rights. The Constitution at one and the same time enjoins Congress to *regulate* interstate commerce and to *refrain* from making any law "abridging the freedom of speech or of the press." Therefore, the regulation of activity which could be defined as commercial was an unquestioned power (nay, duty) of the U.S. government, while the regulation or suppression of the printed word raised issues of the rights of citizens.



MARSHALL SCHWARTZ

These two constitutional provisions were able to cohabit without seeming contradiction for a surprisingly long time. Even the above-mentioned Paramount case was acceptable mainly because the Supreme Court was still operating under a 1915 decision (not officially overruled until 1952) which had held that the young motion picture industry was "a business pure and simple, originated and conducted for profit," and was not to be regarded "as part of the press of the country or as organs of public opinion."

Today, movies as well as books and periodicals are evaluated by the Supreme Court as follows:

The selling of pernicious social or religious doctrine is considered to be protected by the First Amendment; the selling of books and movies whose sexual content exceeds "contemporary community standards" is considered punishable by fine or imprisonment or both—because it can be judged, in the words of a landmark decision written by former Chief Justice Earl Warren, as "plainly engaged in the commercial exploitation of the morbid and shameful craving for materials with prurient effect."

It was not always so. Not only were there no specific anti-obscenity statutes at the time of the Constitutional Convention, there was no discussion of the subject during the debates on the Constitution; nor had there been any attempt in the colonies to condemn material as obscene under the accepted common-law standard that actions "tending to corrupt the public morals" could be punished by judges as crimes.

The very first case against obscenity in this country was just such a case, and it didn't take place until 1815. The judge in *Commonwealth v. Sharpless* answered the contention that the defendants had broken no written law with the following reasoning:

There is no act punishing the offense charged against these offenders, and therefore the case must be decided upon the judge-made principles. That actions against public decency were always crimes, as tending to corrupt the public morals, I can have no doubt; because even in the profligate reign of Charles II, Sir Charles Sedley was punished by imprisonment and a heavy fine, for standing naked in a balcony, in a public part of the city of London.

It should be noted that the charge was that the defendants exhibited a lewd and obscene painting for money, so what the judge found was that the public exhibition of a suggestive picture was equivalent to indecent exposure. There was no suggestion of censorship of the press.

Regulation of pornography

The late-nineteenth-century regulation of obscenity by the federal government was conducted in the name of two powers granted by the Constitution: the power to control foreign imports, and the power to set up a postal service. But it took some time before public opinion would allow those powers to extend to any sort of federal censorship.

In 1835, when it was proposed to bar from the mails all materials that might incite slaves to rebellion, a coalition of Northern and Southern senators defeated the suggestion on the ground that any postal censorship, even to prevent rebellion, would be a violation of the First Amendment.

In 1842, the first law regulating the importation of obscene material was passed. It provided for no restrictions on books or printed matter. Sandwiched in between a section on customs duties and a definition of the *ton*, it read:

And be it further enacted, That the importation of all indecent and obscene prints, paintings, lithographs, engravings, and transparencies is hereby prohibited; and no invoice or package whatever, or any part thereof, shall be admitted to entry, in which any such articles are contained; and all invoices and packages whereof any such articles shall compose a part, are hereby declared liable to be proceeded against, seized, and forfeited, by due course of law, and the said articles shall be forthwith destroyed.

It was years before the regulation of obscenity became any sort of political issue at all in the United States. Some books, mainly catalogues of Renaissance art, were destroyed by Customs officials, but it was not until 1865 that Congress even attempted to stop the mailing of obscene materials, and not until 1873 that the first effective federal anti-obscenity statute was passed and a number of states passed similar laws.

The federal law, known as the Comstock Act, is still in force. It makes it a crime to mail an "obscene, lewd, lascivious, indecent, filthy or vile article, matter, thing, device or substance," or to *inform* someone through the mails where such illegal objects may be obtained, directly or indirectly, through a "written or printed card, letter, circular, book, pamphlet, advertisement, or notice of any kind." Notice that, like the original customs statute, this is primarily a law forbidding articles of *commerce*. From the time of its passage, although it was stretched to include books, it was enforced against contraceptive devices and contraceptive information.

Anthony Comstock himself, who designed the law and worked as an unsalaried postal inspector to enforce it, according to an editorial in the September 1976 *Playboy*, raised entrapment to the level of an art, soliciting contraceptive information from doctors and early birth-control advocates by writing letters in the guise of desperate women who had been warned they would die in childbirth. In 1913, he boasted of having convicted some 3600 persons and of having driven at least 15 to suicide. Comstock died in 1915 while prosecuting William Sanger, husband of Margaret Sanger, for mailing a family-planning book Comstock had ordered under a fictitious name.

A long struggle began between the advocates of the "police power" of the government and those who considered any freedom of expression to be a constitutional right. The constitutionality of regulating the mails and excluding fraudulent or immoral publications was upheld, beginning in 1878, and federal post office inspectors and customs inspectors have been moving against books and magazines ever since. With the Tariff Act of 1930, action against "indecent" books by the U.S. Customs became really effective.

The law's double standard

Throughout, there was a double standard to battle against. The 1930 Tariff Act allowed the secretary of the treasury to admit the "so-called classics" into the country, but only

**The message was clear:
Any sexually frank venture
aimed at a mass market for
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when imported for "noncommercial purposes." As recently as 1957, Customs refused to allow into the country a collection of pornographic pictures and books which Alfred Kinsey wished to import for a special collection on human sexual behavior at the University of Indiana. A judge decided that the material could be admitted because it was to have a limited audience, and "there is no reasonable likelihood that the material will appeal to the prurient interest of those who will see it." Morris Ernst and Alan Schwartz comment, in *Censorship: The Search for the Obscene*, "Thus did laymen—that is, nonscientists; that is, judges—decide that science must be served even though there is no study so far as we can find to prove that scientists do not enjoy the prurient."

The more likely it would find a mass market, the more likely was a publication or movie to be found obscene. In the 1930s, a Court of Appeals judge said of the Tariff Act: "Congress passed this statute against obscenity for the protection of the great mass of our people; . . . art for the public market is not art at all, but commerce." And in finding the book *Lady Chatterley's Lover* not obscene in 1959, another judge said, "A work of literature published and distributed through normal channels by a reputable publisher stands on quite a different footing from hard core pornography furtively sold for the purpose of profiting by the titillation of the dirty minded."

The message was clear. A sexually frank publishing venture aimed at a mass market for the sake of profit was suspect; one whose profits or audience were more limited, was not.

Martyring Mr. Ginzburg

Perhaps the most extreme application of this philosophy was the Ginzburg case of 1966, in which the five-year conviction of publisher Ralph Ginzburg was upheld by the Supreme Court on the ground that he advertised publications as being pornographic, *even though they were not*.

Ginzburg was charged with selling three pornographic publications: a hard cover magazine called *Eros*; a biweekly newsletter called *Liaison*; and a short book, *The Housewife's Handbook on Selective Promiscuity*. The specified volume of *Eros* contained 15 articles on the sub-

ject of love and sex, only four of which were in question. In *Liaison*, Vol. I No. 1, Ginzburg had added an introduction, dedicating it to "keeping sex an art," to two reprints of scholarly articles and an interview with a psychotherapist. The *Handbook* was a reprint of a book which gave sex education in the guise of a sexual autobiography: it previously had been printed privately and 12,000 copies were sold to members of medical and psychiatric associations through direct mail.

The opinion of the court stated, Petitioners, however, did not sell the book to such a limited audience, or focus their claims for it on its supposed therapeutic or educational value, rather, they deliberately emphasized the sexually provocative aspects of the work, in order to catch the salaciously disposed. They proclaimed its obscenity, and we cannot conclude that the court below erred in taking their own evaluation at its face value and declaring the book as a whole obscene despite the other evidence.

and the court summed up: "Where the purveyor's sole emphasis is on the sexually provocative aspects of his publications, that fact may be decisive in the determination of obscenity."

Justice Douglas noted in his dissent that sex is used to sell everything, and said, "The sexy advertisement neither adds to nor detracts from the quality of the merchandise being offered for sale. And I do not see how it adds to or detracts one whit from the legality of the book being distributed."

Perhaps the last word in this case was had by Justice Potter Stewart, who wrote,

The Court today appears to concede that the materials Ginzburg mailed were themselves protected by the First Amendment. But, the Court says, Ginzburg can still be sentenced to five years in prison for mailing them. Why? Because, says the court, he was guilty of "commercial exploitation," of "pandering," and of "titillation." But Ginzburg was not charged with "commercial exploitation"; he was not charged with "pandering"; he was not charged with "titillation." Therefore, to affirm his conviction now on any of those grounds, even if otherwise valid, is to deny him due process of law. But those grounds are not, of course, otherwise valid.

The line between commerce and "art," or expression of ideas, turns out to be the arbitrary line that decides whether or not a publisher goes to jail. One of the things that saved the publishers of *Lady Chatterley's Lover* was that the book was brought out in hard cover. On the other hand, Mr. Ginzburg's magazine *Eros* was a very expensive, glossy magazine, with beautiful full-color reproductions of classical erotic pictures by the great masters, but his advertising was too commercial for the Supreme Court.

But in 1957 and again in 1973, the Supreme Court set as its standard in judging pornography not only whether the material appealed to the prurient, but whether it also violated "community standards" of what was "patently offensive." What are these standards, the "common conscience of the community," that the Court would have been the judge of whether or not sexually explicit materials may be sold? Isn't the only practical way to judge how many people find something offensive, to measure its sales? Julie

Today, at least to much of the community, pornography seems to have won the battle in the marketplace of ideas. It is widely circulated and available; it is perfectly acceptable.

Michaels in the *Berkshire Sampler* quotes the police chief of North Adams, Massachusetts, as saying,

I don't think that any chief of police should be put in the role of town censor—and that's what this is, censorship. You know, we're not talking about an organized porn business—we're talking about little variety stores that are selling national circulated books on the stands. They carry these magazines because there is a demand for them—and if people want to purchase them, then obviously what they're reading isn't violating their standards.

In the case of *Lady Chatterley's Lover*, the judge refused to allow the post office to ban it because newspapers and magazines of large circulation supported it. He said, "Surely expressions by leading newspapers, with circulations of millions, are some evidence at least as to what the limits of tolerance by present-day community standards are."

Today, three of the most widely circulated magazines in this country are *Playboy*, *Penthouse*, and the raunchier *Hustler*—(at least until recently)—all of which have circulations of millions. The recently prosecuted movie *Deep Throat* supposedly grossed \$25 million. So-called "adult uses" (massage parlors and sexually explicit movie theatres, bookstores, and peep shows) increased in New York City from 9 in 1965 to 245 by January of 1977, according to the *New York Times*.

Today, at least to a large segment of the community, pornography seems to have won the battle in the marketplace of ideas. It is widely circulated; it is openly available; it is perfectly acceptable.

The confusion of the intellectuals

But what of the intellectuals, who have been champions of the right to express explicit sexual ideas throughout this century? Many of them have simply abandoned the concept of the marketplace of ideas, holding that the ideas that are winning out are not promoting the good of society, and that therefore we have a duty to pit society against individual rights. Not for them the fervor of Justice Holmes, who went so far as to say, "If in the long run the beliefs expressed in proletarian dictatorship are destined to be accepted by the dominant forces of the community, the only meaning of free speech is that they should be given their chance and have their way."

The recent *Hustler*, *Deep Throat*, and *Screw* cases seem to have fragmented the intellectual community. Harriet Van Horne wrote an article in which she called herself "a dedicated civil libertarian," but said that she refused to defend *Hustler* because "to defend Larry Flynt is to defend obscenity of the vilest sort. . . . I am now astonished to find myself wishing to limit Larry Flynt's free expression." William Buckley saw no reason why Harry Reems should not be allowed to go to jail for acting in *Deep Throat*, calling himself a "libertarian" in the same column. On the other hand, William Safire, while calling himself a "libertarian conservative," took an opposite tack and suggested curtailing "the hard-sell, not the hard core. Actors should be allowed to prance about naked in stage, where admission is by ticket only, but not down the public streets."

An ad calling the *Hustler* conviction "government harassment of a dissident publication," was signed by Hugh Hefner of *Playboy*, but not by the editors of *Esquire* or *Penthouse*. Joan Didion signed this ad; Nora Ephron did not.

It sometimes seems as if one of the main reasons that contemporary political and legal thinkers give up in despair when trying to formulate principled defenses of their positions is that they are trying to defend either the "liberal" ideals of personal freedom or the "conservative" ideals of economic freedom—but not both.

But since human beings are both personal and economic beings, their rights in both areas are ultimately interrelated. Any principle involving an absolute right in either area will, if carried far enough and strictly enough, involve the defense of rights that one may see as contradictory to one's own preferences. When this occurs, one can either



stick to the principle of rights, or say that it must be reconsidered because life is so complex.

A thorough-going defender of economic rights, for instance—one who held that anything should be able to be traded freely to consenting adults, without government interference, as long as the trade violated no one's rights—would have to defend pornography as a commercial activity (and thus would be defending free speech). Similarly, those who hold the First Amendment as an absolute are being led by logic to defend the sale of pornography as well as the right to utter pornographic ideas.

Milton R. Konvitz, in his book *Expanding Liberties*, writes that

the "liberty" of newspaper publishers would be a nullity if their property were not also constitutionally protected, for without such protection a state's "taxes on knowledge" could well be confiscatory. At least in the case of corporations engaged in the communications industry it may be said that liberty and property are inextricably intertwined, so that one cannot be guaranteed without the other. . . . [F]reedom of the press is dependent upon buildings, printing presses, trucks, which are physical possessions without which freedom of the press could no more exist than can mind without body.

This is what is at stake in the current debate over pornography. The First Amendment freedoms relevant to pornography are both personal and economic: Freedom of speech is the basic freedom of the individual to think for him or herself and to communicate that thought, and freedom of the press is the right to merchandize the result of that thinking.

As long as the material being censored was works of art appealing to an educated audience—one might even say, an elite—those who considered themselves liberals presented a united front against censorship of the so-called obscene—any kind of censorship.

But just as many of those who upheld freedom of speech in the abstract often could not bear to extend such freedom to those whose opinions they abhorred—to Nazi sympathizers, say, in the period before World War II—so, then, would many staunch defenders of sexy art be only too happy to outlaw sexy trash. However, as Jean-Francois Revel says, in *The Totalitarian Temptation*, "A free press isn't always right and it isn't always honest, any more than a free man is always right and honest. If literature could not have been authorized without first learning how to ban trash, we would still be busy correcting the first set of proofs to come off the printing press. Those who do not understand that freedom has value in itself, though its expression necessarily produces evil as well as good, are poorly suited to the culture of democracy."

Like it or not, we who believe in individual freedom and rights are going to have to champion the whole bag—freedom of speech and freedom of the press. Not just a free marketplace of ideas, but a free market.

Joan Kennedy Taylor is an associate editor of *Libertarian Review*. Her article "Pornography and the Law" appeared in the September 1977 issue of LR; this essay is a sequel to that discussion.

issue of the Archives of General Psychiatry:

A swarthy, dark-skinned, thick-lipped, leather-jacketed young man, fist clenched . . . appears under the phrase "Assultive and Belligerent?" "Cooperation," reads the message on the facing page, "often begins with Haldol."

And as for the claims of all this to scientific respectability, Szasz may be counted upon to deliver the final blow: "Modern psychotherapy," he writes, is "a religion that pretends to be a science."

This has been Szasz's theme, in every one of his 15 previous books and in all but a few of his hundreds of magazine articles, for the past 21 years. In his first book, *Pain and Pleasure* (1957), he

Szasz has dismissed mental illness itself as a "myth" without biochemical basis. He has insisted that religion be called religion and medicine be called medicine. Sigmund Freud he now calls a great religious leader.

commented that "the social roles of the minister or priest on the one hand and of the physician on the other have become separate and distinct only gradually with an evolving civilization." And almost all his subsequent writing has been directed at making that distinction too brilliantly clear to ignore or evade or gloss over any longer. He has likened psychiatrists to priests, mental illness and drug addiction to heresy, and the mental health movement to the Inquisition. He has dismissed mental illness itself as a "myth" without biochemical basis. He has insisted that religion be called religion and medicine be called medicine. And in his latest book he calls

Sigmund Freud a great religious leader, and psychotherapy, including psychoanalysis, "the religion of the formally irreligious—with its language, which is not Latin but medical jargon; with its codes of conduct, which are not ethical but legalistic; and with its theology, which is not Christianity but positivism."

Martin Gross, too, sees psychology as a pseudoscientific faith:

When educated man lost faith in formal religion, he required a substitute belief that would be as reputable in the last half of the twentieth century as Christianity was in the first. Psychology and psychiatry have now assumed that special role. They offer mass belief, a promise of a better future, opportunity for confession, unseen mystical workings and a trained priesthood of helping professionals devoted to servicing the paying-by-the-hour communicants.

For Gross, as for Szasz, the soul has become the Unconscious, and sin has become sick, but only the names have changed; the reality beneath has remained the same. "Just as the clergy once mediated between man and his soul," Gross writes, "so the psychiatric and psychological professional must now interpret the mind for man." And for Peter Schrag, as for Gross and for Szasz, the widespread enthusiasm which the mental health movement has encountered can be explained only by reference to "a sort of religious quest" for the underlying secret of the human mind.

But to go on laying such stress on the similarities among these books—their convictions that Huxley's *Brave New World* lies just around the historical corner, and that the psychological "sciences" are in fact religions—may be misleading. Their differences are at least as noteworthy as their concurrences. For example: Szasz bases his case for the religious nature of psychiatry in an explicit theory of religion as literalized metaphor (he explains it most fully in the introduction to *Heresies*). As the devout Christian believes the body of Christ to be literally incarnate in the bread and wine of communion, says Szasz, so the devotee of psychiatry believes diseases and cures to be literally incarnate in the bizarre behavior and stylized conversation of, respectively, mental patients and psychotherapists. And Szasz fortifies his case by offering a

detailed historical analysis of the origin of psychotherapy in the religious "cure of souls." Gross, by contrast, is entirely silent about *why* psychiatry qualifies as a religion. Beyond referring to the obvious surface similarities of the two, he relies exclusively on the time-honored method of assertion.

Again: Gross extends his critique of psychiatry only as far as the recently developed antipsychotic drugs, no further. For Gross, these drugs establish what slender claim the helping professionals legitimately have to the status of scientists. They work, don't they? Well, consider the case which Gross approvingly quotes from the files of Dr. Arthur K. Shapiro, "an authority on Gilles de la Tourette's Syndrome, a pathology of the central nervous system" whose symptoms include "severe tics . . . , bizarre movements, and frequent throat clearings followed by the uttering . . . of extreme obscenities." Shapiro's patient suffered from this "strange ailment" for 33 years. For the last ten years he was especially subject to frequent attacks of "coprolalia, or the involuntary utterings of obscenities. . . . They were emitted on the average of one barrage every three minutes." This patient was finally hospitalized, after decades of utterly ineffective psychotherapy, and treated with Haldol. Within months, the symptoms had entirely vanished, except for "one tic every three or four days."

Haldol is a tranquilizing drug so powerful that a single injection can remain effective for several weeks. Its common side effects include severe dry mouth and thickened tongue, which render speech of any kind, much less the "involuntary uttering of extreme obscenities," exceedingly difficult. Could it be that Dr. Shapiro's case study is not, as Martin Gross believes, a bit of evidence for the biochemical theory of mental illness, but only an instance of how pervasive the ideology of drugs has become within the helping professions? As Peter Schrag describes, this ideology holds that

the nuisances, the deviants, the nonconforming, and the nonfunctioning are almost surely victims of an ailment, a "personality disorder," a chemical imbalance, which makes it possible—indeed, makes it necessary—for someone else to manage them with . . . drugs. In those cases where there is doubt about the ailment, as there usually is,

the effects of the drug itself may help define it: if the drug works, the problem must be the ailment for which the drug was indicated; if it doesn't, try something else, or try several drugs at once, or increase the dosage until the patient is stupefied.

In short, the drugs are a means of control. And control is precisely, in the last analysis, what Schrag, what Gross, what Szasz, what the culture generally, has found so objectionable about the "happiness engineering" of the 1970s.

Drugs are a means of control. And in the last analysis, control is precisely what Schrag, what Gross, what Szasz, what the culture generally has found to be so objectionable in the 1970s' "happiness engineering."

Bestsellers like *This Perfect Day*, hit films like "One Flew Over the Cuckoo's Nest," hit science fiction novels like Kate Wilhelm's *Where Late the Sweet Birds Sang*—they all signify the same fear that Huxley was right, the same culture-wide suspicion of "helping professionals" who get most of their funding from the government and are now more numerous than the police. As Schrag puts it: "The mental-health system has become a form of control impinging on the whole society. By defining deviance as illness and deviants as cases, it teaches everyone that its standards of normative behavior rest not on moral authority, cultural tradition, or political fiat, but on a 'science' from which there is no appeal and against which there can be no rebellion." ●

Jeff Riggerbach is contributing editor of LR.

Chinagate

by Jonathan Marshall

The Committee of One Million: "China Lobby" Politics, 1953-1971, by Stanley D. Bachrack. Columbia University Press, 371 pp., \$14.95.

"Koreagate," the latest of Washington's tragi-comic scandals, with hundreds of thousands of dollars passed in unmarked envelopes to scores of congressmen, has once again drawn our jaded attention to the political machinations of agents for foreign powers. In the early 1960s, short-lived Congressional inquiries into corrupt lobbyists for Caribbean dictators Rafael Trujillo and Anastasio Somoza threatened the careers of several prominent politicians, until the investigations were brought to hasty conclusions. A decade earlier, news headlines bruited discoveries about the powerful China Lobby, and exposed the brazen intervention of Nationalist China into American politics.

Nowadays, with its leading figures dead or fossilized, it is hard to take the China Lobby quite seriously. Certainly it expired, unofficially, when Nixon made his triumphant visit to China in 1972. Conservatives were quick to abandon their old loyalties: the late Joseph Alsop, a perennial prophet of famine and revolution in China, finally went there and discovered paradise; Gerald Ford praised the way China disciplines its youth; and James Schlesinger led the calls for closer military cooperation with China to contain the Soviet Union.

This ignominious end to the China Lobby obscures the influential role it played in the 1950s in promoting a rigid policy of hostility towards the People's Republic of China (PRC). The China Lobby was not a tiny conspiracy, but a broad pressure group, including Chinese diplomats with bulging bank accounts and their paid agents—journalists and wealthy publicists, retired diplomats, and above all, an impressive array of senators and congressmen. According to Ross Koen, the group's first, and best, historian, this lobby had two distinct elements: an inner core, often motivated by self-

interest, "which consistently supported and pursued the interests of Chiang Kai-shek and the Kuomintang"; and ideologically motivated "affiliates who were increasingly allied to the Chiang regime in their sympathies." Together, these groups exploited the public's fear of communism to eliminate all critics of the Chiang regime from positions of policy influence, and to stifle debate on China policy. There can be no doubt that this well-organized lobby, with the aid of a politically partisan Republican Party, McCarthyism, and the Korean War, scored a major political triumph. Where Koen looked at the lobby as a whole, Bachrack now focuses on an organization around which many of Chiang's American friends coalesced: the Committee of One Million Against the Admission of Communist China to the United Nations (COM).

COM's success in Congress best reflects the extent of its influence. On its steering committee sat John W. McCormack, the House minority whip (and later Speaker); John Sparkman, now chairman of the Senate Foreign Relations Committee; and H. Alexander Smith, chairman of the Senate Far East subcommittee. The signers of its 1953 petition to President Eisenhower against admission of the PRC to the U.N. (which would "destroy the prestige and the position of the United States and of the Free World in Asia"), included Eugene McCarthy, Hubert Humphrey, Warren Magnuson, and 50 other members of Congress, as well as governors, generals, businessmen, labor and religious leaders, publishers, and journalists.

The COM's congressional success owed much to the resourcefulness of its president, Cong. Walter H. Judd (R-Minn.), a former missionary whose fervent support for Taiwan impressed his colleagues. But much of the credit must go to COM's enormously energetic secretary, Marvin Liebman, who was once called "the best single action-group organizer on the far right today"—everything from the American Emergency Relief Committee on the Panama Canal to Young Americans for Freedom. Liebman organized the COM's huge petition drives (the first million signers of its petition gave the COM its name) to maintain pressure on Congress

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and the administration. Few in Congress, remembering the hysteria of the McCarthy era, were willing to risk antagonizing militantly pro-Taiwan constituents organized by the COM, which accounts for the bipartisan support it attracted throughout the 1950s.

Bachrack's workmanlike history of COM organizational efforts and activities, while not inspired, is capable; his use of Marvin Liebman's incomplete office files provides rich documentation of an effective pressure group in action. But his book will undoubtedly attract more interest for his charges concerning the committee's origins. "No longer," he concludes, "is it farfetched to hypothesize that the Committee may have been conceived as a small, covert [CIA] domestic propaganda operation designed to stiffen American resistance to any conciliatory diplomatic move toward the People's Republic of China." What evidence does Bachrack have for this alarming suggestion?

He shows that the COM was spawned in a secret executive session of Walter Judd's subcommittee on Far Eastern Affairs, following testimony by a mysterious French "expert on psychological warfare," Count Nicholas de Rochefort. De Rochefort had previously sent C.D. Jackson, special assistant to President Eisenhower, a plan for "an offensive action of psychological warfare . . . opposed to the entry of Red China to the U.S." De Rochefort's interest in psychological warfare, a cryptic hint that he may have been known to the OSS, and the fact that neither the CIA nor Judd's former subcommittee will reveal information about him lead Bachrack to wonder whether he was not really the agent of "a covert CIA domestic political operation."

But Bachrack's evidence sometimes works against him. Jackson (who was White House adviser on psychological warfare, a fact Bachrack nowhere mentions), threw cold water on de Rochefort's proposal: "I feel that it is not something I could possibly become interested in or involved in . . ." And why did Jackson need to inform the CIA director of de Rochefort's approach, if the plan originated in the CIA to begin with? The fact that the CIA now refuses to disclose whether de Rochefort was ever an agent simply reflects an under-

standable agency policy never to confirm or deny such speculations.

Bachrack leaves us with hints and speculations instead of probing into the complexities of CIA policy towards the China question. It is clear, for example, that one CIA faction, probably composed of old OSS liberals, concluded that Chiang Kai-shek's hopelessly corrupt bureaucratic dictatorship would not serve U.S. interests in Asia and

Bachrack leaves us with speculations instead of probing the complexities of CIA policy towards the China question.

ought to be abandoned. Some of the major revelations against the China Lobby were produced by men close to the CIA, such as Richard Horton of *Reporter* magazine, who was CIA station chief in Paris in the late 1940s, and Alfred Friendly of the *Washington Post*, a World War II intelligence veteran who also worked in Paris in the late 1940s (out of an office inhabited by numerous CIA agents, including E. Howard Hunt). Moreover, China Lobby leaders frequently grumbled that the CIA was actively backing "third force" leaders in Hong Kong, such as Li Tsung-jen, against the interests of Taiwan.

But with the onset of the Korean War came growing national hostility towards the PRC, and a new commitment to Taiwan. Undoubtedly the CIA, although liberal by Washington standards, reflected the changing mood. It is at this point that we can begin to see major CIA operations mounted against the PRC, both abroad (such as the notorious mainland raids organized by "Western Enterprises, Inc." on Taiwan), and, more importantly for this discussion, on the home front. Several organizations, which Bachrack lists as

active in pro-Nationalist propaganda, smell strongly of a CIA presence. For example, the Committee to Defend America by Aiding Anti-Communist China included as vice-chairman General William Donovan, wartime head of OSS who continued to work actively with the CIA in Asia during the 1950s; while Jay Lovestone, a top CIA labor organizer active in Southeast Asia, sat on the board of directors. Another leading China Lobby organization, the Committee on National Affairs, included on its executive committee Cord Meyer, who recently served as CIA station chief in London. These CIA links to domestic propaganda organizations are themselves solid enough evidence to merit a congressional inquiry.

But even the Committee of One Million had important CIA links, beyond those hypothesized about de Rochefort. In particular, Liebman, Judd, and Harold Oram, the COM's fundraiser and public relations expert (who employed Liebman), all were experts at raising money from CIA friends to fi-

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nance anticommunist activities abroad and at home. Together, for example, they organized in 1952 Aid Refugee Chinese Intellectuals (ARCI), sponsored by many of the same people who backed COM. Its purpose was to aid, and publicize the plight of, Chinese intellectuals who fled the mainland. ARCI was in constant touch with the Psychological Strategy Board, set up under Truman to oversee all CIA psychological warfare operations. And the CIA gave the ARCI its initial funding (as well as more later on). ARCI executive chairman Christopher Emmet admitted in a private letter that "Oram's contact in Washington, who works for the [CIA's] Free Asia

Does the CIA share responsibility for initiating America's disastrous policies towards both China and Vietnam?

Committee . . . got us the first \$5,000 from them with which we started our work."

However, Emmet noted shortly after the 1952 election, "Oram's contacts and connections were better under the Truman administration," which meant that Judd's contacts would have to pull more weight under Eisenhower. Thus when ARCI needed more money in 1953, one ARCI official wrote Judd, "Oram says that he will also contact his friends in the CIA, but he believes this should be in addition to your own call." In later years, Judd was in direct touch with Cord Meyer of the CIA, who took a personal interest in funding ARCI. It is perhaps also significant that in the first months of its formation, ARCI used the offices of the American Committee on United Europe, free of rent. ACUE, for which Oram also handled fundraising, was wholly controlled and organized by the CIA (several of whose top executives sat on its board). Oram's work for

ACUE suggests just how close he was to the CIA.

ARCI was more than a foreign CIA operation; it had an important domestic role as well. Christopher Emmet pointed to "the educational importance of this project in making Americans more aware of the Chinese anti-Communist cause. . . . The reason is that the humanitarian appeal for relief incidentally permits giving all the political facts about persecution, etc. . . . It does not invite argument and attack as in the case of direct political propaganda, however right it may be."

Thus, through ARCI, the CIA was "incidentally" financing domestic political propaganda. The same was true of the Crusade for Freedom campaign which raised money for the CIA's Free Europe Committee and Radio Free Europe. Given Oram's central role as fundraiser for the COM, along with Liebman and Judd, is there not cause indeed to suspect some CIA role in the Committee's propaganda campaign against the PRC?

This question, which cannot now be answered, raises a host of other intriguing questions about the scope of CIA political intervention at home, which go far beyond the revelations of Operation CHAOS and domestic drug experiments. For example, did the CIA back the American Friends of Vietnam, the potent lobby for U.S. intervention in Vietnam? (AFV, well-stocked with CIA connected individuals, included Oram as fundraiser; he was at the same time a lobbyist for the Diem regime). Does the CIA, therefore, share responsibility for initiating America's disastrous policies towards both China and Vietnam?

As Bachrack suggests, this kind of speculation is no longer far-fetched. We have learned enough about CIA crimes, and about the formulation of national policy in a climate of secrecy, to suspect the worst. But suspicion is no longer enough, and Bachrack's book, on top of everything else, is a welcome call for a serious investigation of how the American public is manipulated, and for an end to government secrecy. ●

Jonathan Marshall is a Marshall Scholar at Sussex University, and has written for Inquiry, Pacific Research, and The Bulletin of Concerned Asian Scholars.

New Mises translations

by Richard Ebeling

On the Manipulation of Money and Credit, by Budwig von Mises. Free Market Books, 296 pp., \$14.00.

Two thousand years ago, the ancient Chinese historian Ssu-Ma Ch'ien discussed the monetary policy of Emperor Wu-ti (155-87 B.C.). Ssu-Ma Ch'ien explained that, "The entire wealth and resources of the nation were exhausted in the service of the ruler, yet he found them insufficient." His appetite not satisfied, Emperor Wu-ti turned to monetary debasement and as "coins became more numerous and of poorer quality, goods became scarcer and higher in price." "The purpose of currency is to provide a medium of exchange between farmers and merchants," Ssu-Ma Ch'ien argued. But in the hands of the government, "it is subject to all kinds of clever manipulation."

Analyzing the debasement of the British currency in the 1600's, the 19th century liberal and historian Thomas B. Macaulay was even stronger in his conclusions. "[I]t may be doubted," Macaulay charged, "whether all the misery which had been inflicted on the English nation in a quarter of a century by bad Kings, bad Ministers, bad Parliaments and bad Judges was equal to the misery caused in a single year by bad crowns and bad shillings."

The twentieth century has suffered from the same monetary plague that has rained ruin upon countless others since the beginning of recorded history. Excessive wage demands by trade unions are satisfied by monetary increases to pay the higher money wages; the decline in some American prices that would normally follow a relative rise in the price of oil imports is prevented through monetary expansion; minimum wage laws and union restrictions generate unemployment, and public works jobs are created for the victims by federal deficit spending—financed, once again, through monetary expansion; favors and subsidies are promised to special in-

terest groups and thus budget deficits are made even larger, with even more monetary expansion.

But whereas in previous times inflationary policies have usually been carried out as political expedients, in our age they have become institutionalized as part of the reigning ideology. Monetary manipulation has become the ultimate tool for domestic interventionism.

Most opponents of inflation, unfortunately, suffer from two deficiencies. Firstly, they fail to see the ideological influences that lie behind money creation and think that government-supervised "rules" for monetary growth can prevent "excessive" increases in the money supply. And secondly—by looking almost exclusively at monetary influences on the "price level," output, and employment as a whole—they fail to appreciate the process by which inflation can bestow privileges on special groups.

In the 1920s and 1930s, the Austrian economist Ludwig von Mises dealt systematically with these problems. However, those essays (representing his most important writings on monetary theory between the publication of his *Theory of Money and Credit* in 1912 and *Human Action* in 1949) have only recently been translated and published, under the title *On the Manipulation of Money and Credit*.

Writing at the height of the great German inflation in 1923, Mises explained that, "In some situations it is considered more advantageous to cover government expenditures by issuing new notes, than by increasing the burden of taxes or borrowing money. This was the argument during the war. . . . The same argument is now advanced when it comes to supplying some of the population with cheap foodstuffs, covering the operating deficits of public enterprises . . . and arranging for reparations payments."

Unwilling and afraid to admit that programs and privileges that benefit some must be paid for by "others," the government brings about the redistribution of income through the indirect method of inflation. Thus, Mises forcefully argued, "inflation becomes one of the most important psychological aids to an economic policy which tries to camouflage its effects. . . . By deceiving public opinion, it permits a system of

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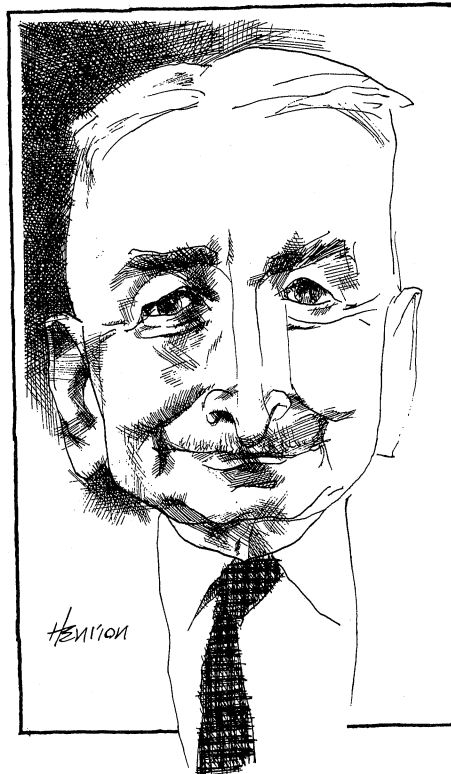
But as long as the ideology of privilege and power reigns supreme, no hope can exist for the end of monetary manipulation. Inflationary policies would cease, Mises stated, only when an alternative political philosophy arose that was "firmly grounded on a full and complete divorce of ideology from all imperialist, militarist, protectionist, statist and socialist ideas."

The method Mises used for analyzing what he called the "social consequences" of inflation was the "step-by-step" approach. Today, it would be referred to as microeconomic process analysis. A refined exposition of this method is presented in the longest essay in the volume, Mises' 1928 monograph, "Monetary Stabilization and Cyclical Policy."

Increases in the quantity of money, Mises stated, "must necessarily appear on the market at some definite point, affecting only one group in the economy at first . . . and, as a result, only the prices of commodities these particular persons are demanding. . . . Only later are prices of the remaining goods raised as the increased quantity of money progresses step by step throughout the land and eventually reaches every participant in the economy."

Those individuals who receive the increased supply of money *early* in the inflationary process are in the position of purchasing a larger quantity of goods and services *before* prices have risen significantly, and thus have gained from the inflation. Those who are not affected until some later point in the inflationary process have had to face rising prices for the goods and services they desire but have not had a concomitant increase in their incomes, and thus have suffered from the inflation.

The sequential steps by which prices are affected during an inflation are illustrated in Mises' theory of the business cycle. Increases in the quantity of money that enters the economy through the banking system tend to lower the rate of interest and may stimulate new investment in excess of voluntary savings. Those who borrow the new money at the lower rate of interest will bid up



Ludwig von Mises

the prices of labor and other factors of production, in order to attract these factors into their investment projects.

However, those receiving the higher money incomes will then, in turn, proceed to demand other goods, most probably consumption goods. The producers of consumer goods now, in their turn, attempt to bid away resources so they may increase their own production. Thus, we soon have a tug-of-war between those attempting to complete investment projects begun under the original stimulus of the monetary-induced lower rate of interest and those who are attempting to expand their production of consumer goods. As long as the monetary increases continue and accelerate, entering the economy through the banking system, the inflation-induced struggle for the use of resources continues. When the inflation finally ends, the economy passes into a recession or a depression, during which the resources malinvested in the "boom" attempt to adjust to an accurate reflection of consumer-spending preferences.

Ours has been one of the worst centuries for monetary abuse. The ultimate state intervention—war—all but de-

stroyed the international gold standard in 1914. The monetary manipulations of the 1920s and the collectivist social "experiments" of the 1930s ruined what remained of it beyond repair. And the period since 1945 has been an era in which the Washington Wizards of Oz have hidden behind a screen while creating the illusion of world stability based upon paper dollars and paper gold. Violent exchange-rate fluctuations, disrupted international trade, domestic inflations, and renewed calls for a return to the mercantilist world of protectionism and controls has been the end product of these magical tricks.

In 1755, Richard Cantillon explained that "when money has become more abundant . . . the State, the Princes and Heads of Republics . . . make use of the facility which they find through the abundance of their State revenues, to extend their power and to insult other countries on the most frivolous pretexts." But, Cantillon reminded the reader, "since, according to the natural course of humanity, the State must collapse of itself, they do but accelerate its fall a little."

The aggrandizement of the state has proceeded at an ever-accelerating rate, thanks to the bountiful supply, of money miraculously created for its use in this age of the printing press. When or if the state's "natural" collapse will come about cannot be certain. But whatever the "course of humanity," no hope for economic stability will exist until all government interference with prices, wages, interest rates, and money is brought to an end.

At the end of his 1931 essay analyzing "The Causes of the Economic Crisis," Mises hoped that "it is . . . not too optimistic to assume that those governments and parties whose policies have led to this crisis will some day disappear from the stage and make way for men whose economic programs leads, not to destruction and chaos, but to economic development and progress."

We can only have the same hope today.

Richard Ebeling is the editor of the Center for Libertarian Studies' Occasional Papers Series.



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Mutual biography

by Tom G. Palmer

Pistols for Two, by Owen Hatteras.
Folcroft, 42 pp., \$10.00.

Major Owen Arthur James Hatteras (1862-1923) was, at one time, a moderately well-known American literary figure. He was a frequent contributor to *The Smart Set* (edited by H.L. Mencken and George Jean Nathan) and was prevented from continuing on as a regular in *The American Mercury* only by his untimely death in 1923. His many epigrams and his two columns, "Pertinent and Impertinent" and "Americana," were high points of *The Smart Set*, itself a high point of American magazine publishing. His most lasting contribution, however, was the charming *Pistols for Two*, a biographical sketch of *The Smart Set*'s two unique editors, published by Alfred Knopf in 1917 and recently re-issued by Folcroft.

Hatteras takes a somewhat unique view of biography, as he explains in his introduction: "Personalities, so to speak, are not revealed brilliantly and in the altogether, but as shy things that peep out, now and then, from inscrutable swathings, giving us a hint, a suggestion, a moment of understanding." Further, "we see them, not as complete images, but as processions of flashing points." This viewpoint is unique only in its philosophical justification of uncomprehensive biography; one will find no dearth of tomes which purport to reveal the inner soul of a man or woman but which end up as a pedantic collection of poorly arranged, random facts strewn over 400 pages of 60-pound, glossy paper. Hatteras is successful because he stakes out an extreme position and holds to it, with no pretension of revealing the true personalities of his subjects "in the altogether." His book is a collection of delightfully and admittedly random "flashing points."

Of Mencken, we are told that "he is five feet, eight inches in height, and weighs about 185 pounds. . . he wears buttoned shoes because he cannot tie shoe laces. . . he detests Tschaikowsky and Rossini. . . in his youth he wrote waltzes. . . he drinks all known alcoholic beverages, but prefers Pilsner to

any other. . . he is bow-legged. . . he pays all bills immediately, never steals what he can buy, and is never late for an appointment. . . he believes in war so long as it is not for a moral cause. He advocates universal military training on the ground that it causes wars. . . he arises at eight sharp every morning. . . he detests windy days. . . he never wears patent leather shoes. . . he has twice voted for Roosevelt, not by conviction, but because he believes Roosevelt gives a better show than any other performer in the ring. . . he works in his shirt sleeves and sleeps in striped pajamas. . . down to July 7, 1913, he employed suspenders to hold up his trousers. Being then convinced by Nathan that such appliances had a socialistic smack, he abandoned them for a belt. . . he has never read George Eliot, or Jane Austen, or Bulwer-Lytton. . . he questions pragmatism, but admits its workableness. . . a healthy man, he yet complains hourly of imaginary ailments. . . he has never seen Coney Island. . . he loves coconut pie. . . he frequently carries on a perfectly innocent conversation with Nathan in a low stage whisper, thus lending to his most trivial remarks a secret and sinister import. . . he likes to walk in the rain and get wet. . . he has been arrested four times, once in Paris, once in Copenhagen, and twice in America. He was acquitted each time, though guilty. . . his favorite name for a woman [is] Maggie. . . he owns a plaid shirt. He wears it. . . he has never read Shakespeare's "Venus and Adonis" or "Pericles, Prince of Tyre". . . he is fond of candy. . . he is a bitter opponent of Christian Science and has written all sorts of things, from epigrams to long articles, against it. . . if he could choose another given name it would be Francis. . . he reads all the new Socialist books. . . he detests cut flowers, carpets, the sea-shore, hotels, zoological gardens, the subway. . ."

Nathan is similarly treated. We learn, among many other fascinating tidbits, that "he bought Liberty Bonds. He can eat spinach only when it is chopped fine. . . his boyhood ambition was to be an African explorer in a pith helmet, with plenty of room on the chest ribbon for medals that would be bestowed upon him by the beauteous

Crown Princess of Luxembourg. . . he never reads the political news in the newspapers. . . he is a hypochondriac and likes to rehearse his symptoms. . . he dislikes . . . men who tell how much money they have made, men who affect sudden friendships and call him Georgie, women who affect sudden friendships and then call him Mr. Nathan, writing letters, receiving letters, talking over the telephone, and wearing a hat. . . he cannot use a typewriter. . . like Beethoven, he uses neither morphine nor cocaine. Like Sitting Bull and General Joffre, he has never read the Constitution of the United States. . . he never accepts an invitation to dinner if he can avoid it by lying. . . he fell in love at first sight in 1913 with a flower girl in the Luitpold Cafe in Munich, but the hussy was distant. . . he has never been in jail. . . he can down several hundred olives at a single sitting. . . an examination of his blood, on July 1, 1917, showed: Hb., 111%; W.B.C., 8, 175. . . he has never read "Paradise Lost". . . he never enters a house a second time in which he has encountered dogs, cats, children, automatic pianos, grace before or after meals, women authors, actors, *The New Republic*, or prints of the Mona Lisa. . . [he] has seen more than 3000 plays in America, 400 in England, and 1900 on the continent. . . among his most widely quoted retorts is that made by him to a newspaper interviewer who asked him if it was true that a disgruntled theatrical manager named Gest had alluded to him as a 'pinhead.' 'That,' replied Nathan, 'is on the face of it absurd. Pinhead is a word of two syllables.' . . he regards camping out as the most terrible diversion invented by man . . . he has yet to drink his first glass of Hires Root Beer. . . he is a good listener. His invariable practice with talkers is to let the latter talk themselves out and then, after a moment's studious silence, to nod his head and say yes. He never argues, never disagrees, no matter how bizarre the conversationalist's pronunciamientos. . . he owns an autographed photograph of the Russian mystic Rasputin, presented to him by the latter six years ago. . . he wears a No. 14½ collar and a No. 7¼ hat. . . in 1900 he fought a duel with pistols outside of Florence, Italy,

and was wounded in the left shoulder. . . . the name of the girl who manicures his nails is Miss Priscilla Brown. She is an orphan. . . . his favorite opera is Gluck's 'Iphigenie in Tauris.' He once travelled from Nice to Dresden to hear it. . . . he reads, on the average, one hundred and fifty foreign plays every year. . . . he has been inoculated against typhoid. . . . he has never written a thing that, upon rereading after its appearance in print, didn't seem to

Carter

(continued from page 9)

why the Department of Energy is running scared: It contains a massive amount of evidence totally contradicting the Carter Administration's claim that the United States is on the verge of running out of conventional fuel, such as oil and natural gas. Only by maintaining this claim can the Administration continue to fight measures which would increase the supply of such fuels—like removing price controls on natural gas, which President Carter had promised to do during the election campaign.

Incidentally, the Carter statement on natural gas is worth repeating. It was made in a letter to Governor David Boren of Oklahoma on October 19, 1976, and has been published in *The Presidential Campaign 1976*, Volume 1, pages 1060-1 (U.S. Government Printing Office, 1978): "To increase our domestic production. . . . I will work with the Congress . . . to deregulate new natural gas. The decontrol of producers' prices for new natural gas would provide an incentive for new exploration and would help our nation's oil and gas operators attract needed capital."

One can only conclude that Carter's subsequent position against deregulation is one of the most blatant examples of a broken campaign promise that has ever been seen. But Carter will not soon escape the consequences. This promise to deregulate new natural gas was instrumental in Carter's victory in Texas, Oklahoma, and Louisiana in 1976. Breaking this promise will no doubt be a huge barrier to a repetition of this success in 1980.

him to be chock full of flaws. . . . he has never visited the battlefield at Gettysburg. . . ."

Those readers who have progressed thus far into the review, and who are perhaps acquainted with the output of Messrs. Mencken and Nathan, may have detected a certain familiar flavor to the tidbits just quoted. In fact, Major Hatteras was a pseudonym for the productive and flamboyant pens of Mencken and Nathan. He was born in 1912 as one of the many pen names under which Mencken and, to a lesser extent, Nathan wrote. This list also included, less prominently, C. Farley Anderson, Herbert Winslow Archer, Marie de Verdi, Pierre d'Aubigny, William Drayham, Janet Jefferson, George Weems Perego, James P. Ratcliffe, Ph.D., Raoul della Torre, and, it has been conjectured, Seumas Le Chat, Harcourt Mountain, Patience Trask, and a legion of others. According to *The Mencken Bibliography* (1961), Hatteras, the most often used, "developed such a personality that when it was time to 'eliminate' him, at the end of [Mencken's] editorship, his obituary notice was carried by many newspapers."

William Manchester (in *Disturber of the Peace: The Life and Riotous Times of H. L. Mencken*, 1950), remarking upon Hatteras's popularity, related that "when Frank Crowninshield [editor of *Vogue*] expressed interest in the work of Owen Hatteras and thought to solicit manuscripts from him, they [Mencken and Nathan] gave him a fictitious address in France; no answer, of course, followed Crowninshield's letter, and the word was passed that Hatteras was too proud to write other than for *The Smart Set*." Hatteras was awarded a military title and an order of merit after the World War by Nathan and Mencken, who had opposed Wilson's war in the pages of *The Smart Set* (earning them temporary banishment from the mails).

Pistols for Two was concocted by Mencken as a promotional idea for *The Smart Set*. As he later noted in a letter: "The plan of it was my idea. Nathan and I contributed \$300 toward the cost of printing it. At the start Knopf distributed it gratis, but the demand for it soon became so great that he began to sell it, first for fifty cents and then for a dollar." Mencken wrote the introduc-

tion and conclusion and the sketch of Nathan while Nathan set forth the trivia on Mencken which he had observed (or made up) during their close friendship.

Isaac Goldman (in *The Man Mencken: A Biographical and Critical Survey*, 1925) called the work "a strange amalgam of truth and nonsense." Indeed, it is a difficult, if not impossible, task to sort out what is truth, what is mistruth, and what is friendly insult. That was not, however, important to Hatteras, whose tongue, we can rest assured, was firmly planted in cheek.

Pistols for Two is a delightful and little known piece of Menckenia which deserves the attention of anyone interested in a good spoof, whether one is a "Mencken scholar" or not. The Folcroft re-issue is a facsimile of the original; no introduction by a learned scholar explaining Hatteras's true identity is prefixed. We are allowed to share the joke.

Crosscurrents

(continued from page 8)

director for the Center for Libertarian Studies. This invaluable work is Edmond Silberner's *The Problem of War in Nineteenth Century Economic Thought* (Garland Publishing, 1972). This work was first translated from the French and published in English in 1946. Silberner clearly demonstrates that a pro-peace position was central to the Classical Liberal economists. This was true not only of the well-known Manchester School anti-imperialists and free traders Richard Cobden and John Bright, but it was also true of the other English liberal economists like David Ricardo, John S. Mill, and especially his father, John Mill. Perhaps the most interesting and most consistent of the liberals were the French liberals such as J.B. Say (clearly Silberner's favorite), Charles Comte, Charles Dunoyer, Frederic Bastiat, and Gustav de Molinari. This is an extraordinarily perceptive and useful book. It is good to know how sound and humane our intellectual and ideological forebearers were. It is up to all of us to make sure we help to keep the libertarian movement on the right track.

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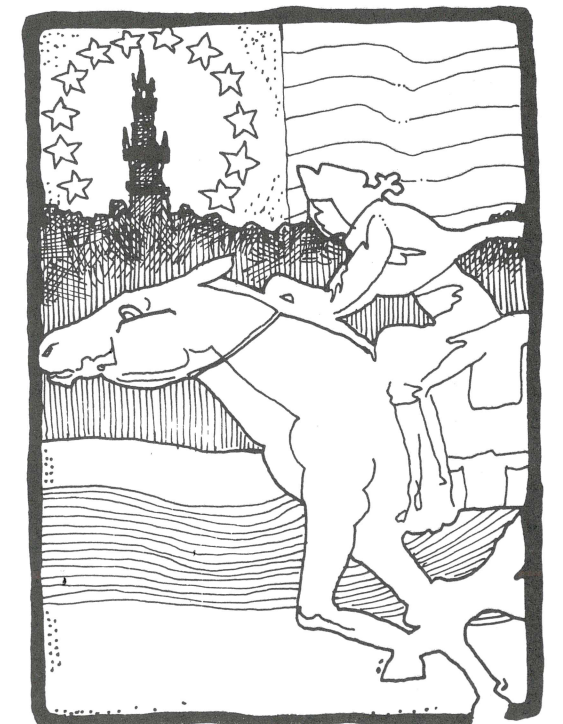
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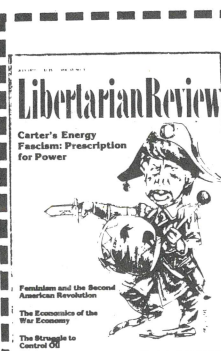
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