

Liberty

January 1998

Vol. 11, No. 3

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The Crash of '97:

Prelude to Disaster?

Fear and Loathing in New Jersey

by Mike Buoncristiano

The Devil's Reading List

by Stephen Cox

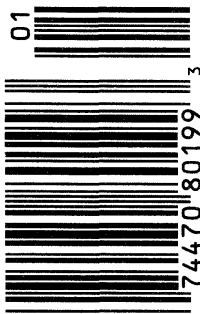
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by Richard Rieben

The Fight for Medical Marijuana

by Paul Armentano

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Inside Liberty

January 1998
Volume 11, Number 3

- 4 Letters** Everybody's a critic.
- 7 Reflections** *Liberty's* editors negotiate with the Secret Service, caddy for the president, shoot BBs at dead pigs, poke around in the vein of a hell-bent American writer, and take the logic of the 9th Circuit Court and run with it.
- 15 Achieving Liberty** What can be done, today, to make the world a freer place? *Timothy Virkkala* and *David F. Nolan* rethink.

Features

- 19 The Crash That Wasn't** The world's equity markets weathered a "gale of creative destruction." *Richard Stroup* offers a forecast.
- 21 The Man Who Would Unseat Whitman** *Mike Buoncristiano* tells what went wrong with the most promising Libertarian Party campaign in years. *George Reis*, *Jo Jorgenson*, and *Vin Suprynowicz* offer additional perspectives.
- 25 Of Rednecks and Caryatids** *Pierre Lemieux* strikes a balance between the cultures of individualist America and individualist France.
- 29 Mail from Malawi** *Richard Rieben* finds East Africa more exhausted than exotic.
- 31 The Fight For Medical Marijuana** *Paul Armentano* chronicles the war.
- 33 Thirty-four Curious Facts About Marijuana** *Steve Cason* provides a list that is, if not definitive, definitely curious.
- 38 What Am I Doing Here?** *Rycke Brown* finds herself a martyr to the War on Drugs.
- 39 Free-Market Money** *Richard Timberlake* explains why the best alternative to central banking is not the gold standard, but something freer.
- 45 For Mises' Sake** *Tom Palmer* wonders: is the Ludwig von Mises Institute worthy of its namesake?
- 48 Expectations and the End of Central Banking** *Roger Garrison* and *Leland Yeager* find the expectations that rule society less rational than do some other economists, including *Harry Watson* and *Ida Walters*.
- 55 The Devil's Reading List** It is fashionable, among literary educators, to deny the existence of "great literature." But, as *Stephen Cox* shows, even college professors know truly bad writing when they see it.

Reviews

- 61 The Unmaking of an Ideology** *Jane S. Shaw* traces the strange evolution of Robert Heilbroner, worldly philosopher.
- 63 Epistles from the Edge** *Thomas Knapp* reads the early letters of the God of Gonzo.
- 64 Master Spy, Mister Liar** *Richard Kostelanetz* doubts that Markus Wolf, late of the East German spy network, is all that honest an autobiographer.
- 66 A Sewer Runs Through It** *Brien Bartels* finds a hologram of Ayn Rand, an Objectivist anti-hero, and a whole new meaning of "marginal utilities."
- 67 Booknotes** on the Apostle Paul, Vaclav Klaus, farmer Lear, the women of the Bauhaus, fires holy and fires unfriendly, and an end to smoking.
- 68 Classified Advertising** **70 Notes on Contributors**

Letters

Educate This!

Lawrence Ludlow (Letters, November 1997) makes a very good point on the essential injustice of forcing childless people to subsidize the education of the children of "breeders" like my wife and me. I agree that education should be a private business. However, he hysterically exaggerates the real value of our "subsidy." I guarantee that the "education" a youngster in California (or here in Georgia) receives is hardly worth \$5,400 a year. In reality, it might be negative dollars. Perhaps the state should be paying us parents for the tort damage they are doing to our children: locking them up and indoctrinating them with 12 years of statist lies. Mr. Ludlow, I think the damage being done to the minds of three future citizens is easily worth more than the paltry \$200,000 you will pay in your life!

By the way, Lawrence, please don't collect any social security benefits when you get old, because my "hideous progeny" would then have to pay the cost of keeping your parasitic ass comfortable on it's bedpan.

Steve Olivier
Sugar Hill, Ga.

Alan Greenspan, Call Your Psycho-Epistemologist

Let me see if I've got this straight. As head of the commission to preserve Social Security, Ayn Rand's disciple Alan Greenspan recommends the forced collectivization of the pensions of millions of American workers ("Deep-Cover Radical for Capitalism?" November 1997).

His reason? The American people want Social Security, and we must postpone its collapse so better ideas have time to work their way through the culture. In effect, it's "too soon" for a crisis, since the intellectual correlation of forces is against us now.

His reward? The same job they

offered John Galt: economic dictator of the country.

As chairman of the Federal Reserve System, Greenspan continues Paul Volker's fight against inflation, thereby making the dollar a safe store of value again, igniting the stock market, leaving more money in the hands of the productive, and, through reduced inflation, less in the hands of the parasites.

Alan's secret ally, former Goldwater girl Hillary Clinton, thwarts the liberal plan for national health care by appointing the most incompetent person she can find to head the Health Care Task Force: Ira Magaziner, whose prior job was PR flack for cold fusion! (I'm not making this up: see pages 49-52 of "Cold Fusion" by John R. Huizenga, Oxford University Press, 1993.) Her efforts are amazingly successful: in 1994, she single-handedly elects a Republican House, Senate, and majority of Governors. Every high-level Republican incumbent is re-elected.

Meanwhile, Bill Clinton sells out his liberal allies, brings the boys home from Europe, ends federal welfare, balances the budget, and wins re-election over statist Cold Warrior and political hack Bob Dole and his federal bureaucrat wife.

So there you have it: Hillary is really Francisco d'Anconia in drag, destroying the welfare state in plain sight; Bill is Ragnar Danneskjold, sending liberal ideas to the bottom of the ocean; and Alan Greenspan is a John Galt who took Wesley Mouch's job so he could buy time for Objectivism to spread through the culture from its secret bases in Orange County, California and Poughkeepsie, New York.

It would make a terrific novel.

Excuse me, I have to go now. I have an appointment to get my epistemology checked.

Craig Franklin
Santa Barbara, Calif.

The Unimportance of Ideas

It may be that Alan Greenspan, deep within himself, believes in liberty. The question is, does he contribute to it? As chairman of the Federal Reserve Board, Greenspan symbolizes government control over the economy. He exercises and wields government power.

As an Objectivist, Greenspan is a wonderful symbol of the unimportance of ideas. You can be an Objectivist and the wielder of enormous political power over the economy at the same time. There is no such thing as a contradiction. A is not A.

Greenspan is *not* an innocent worker doing a legitimate job in a world where there is no reasonable alternative to state employment. He heads an agency which exerts enormous control over people's lives and property, an agency whose power is utterly illegitimate and immoral. For that he should be called to account, not celebrated.

Paul Grant
Parker, Colo.

The Fusionist Who Came in From the Cold

In his mean-spirited attempt to make Ludwig von Mises look good by making F. A. Hayek look bad, Ralph Raico ("Mises and Monarchy," November 1997) rhetorically inquires "what socialist was ever brought over by" *The Road to Serfdom*? The answer is Frank Meyer. See pg. 98 of *The Conservative Intellectual Movement in America* (Basic Books, 1976), where Meyer is paraphrased as saying that he was deeply influenced by Hayek when he broke with communism.

Larry Floyd
Sherman Oaks, Calif.

Hot Date

Before Mr. Harry Browne — who has yet to mention his data processing credentials — discourses again ("Armageddon and the Millennium," November 1997) on the possibilities of any problems arising just after midnight on

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Thursday, January 1, 2000, I ask that he find some people with strong business programming backgrounds and discuss the matter with them.

A single industry-wide solution is a possibility so slight as to be negligible. The reality is the uniqueness of most logic throughout business programming. Various individuals (such as Gerald Weinberg) have written fascinating books about the unlikelihood of programmers using general subroutines for any large fraction of programming. The rule is: If I didn't write it, I ain't gonna use it. In a few sites, here and there, this has been gradually changing, a bit at a time, year by year — but the finest programmers don't wind up in the more conservative institutions — such as government agencies (who have generally admitted that they have a snowball's chance in Hell of being ready in time), banks, and insurance companies.

I don't really know the full, detailed extent of the problem. No one does. As a privately employed programmer of 25 years' experience, I don't know whether to laugh hysterically or dig a hole and pull it in after me.

Eric C. Sanders
Sterling Heights, Mich.

Bank Run!

Harry Browne did your readers a great disservice with his reflection on the Millennium Bug. If the Federal Reserve System and any of the 13,000 communicating banks are not ready for the millennium, the banking system will be in trouble. When this problem is perceived by the general public, depositors may want their cash. Will the banks be closed, or will large amounts of paper money be issued to pay off depositors?

R. Bruce Hopkins
Cedar Falls, Iowa

Lawyers and Liberty

I wish to lodge a generalized complaint against what seems to be a subtle anti-lawyer bias that not only permeates your magazine but also the

libertarian movement in general. Randall O'Toole illustrated this mentality in his blip "If a bureaucrat falls in the woods . . ." (November 1997). Mr. O'Toole states that "planners" came closer to "true evil" than even lawyers.

Lawyering is the most "libertarian" of professions in modern-day America. It is a profession that arose over 600 hundred years of evolution and truly represents private government in an age of statism. I theorize that one of the reasons that lawyers are especially hated today is the very fact that you have to pay for the service rather than have it provided to you by the nanny state. Libertarians should not be bashing lawyers, but should be taking up their cause. A person has a right to institute "a civil governmental action" privately and have the matter heard in court is an anachronism from a prior age, and one that has been hard fought and won by Libertarian Freedom Fighters. It is also interesting to note that most of the great libertarian thinkers and advocates for freedom were also attorneys.

Libertarians who "hate" attorneys should dig deep and go to their motives. They might find that they have some deep-seeded envy for the last remaining rugged individualist fighting for justice in modern day collectivist America.

William L. Voorhies
Platte Woods, Mo.

One Small Step for Gradualism

R.W. Bradford ("Strategy Debate," Nov. 1997) asks "if [the Libertarian Party] merely asks [people], in a general way, to join them in an effort to reduce the size of government" will it still be the "Party of Principle"? The LP could still be the party of principle as long as each legislative proposal it proposes moves in the direction of less government, no matter how small the step. Current American liberals use the nuts and bolts of day-to-day policy to advance their goals of forcing government into every aspect of our lives, conservatives mostly likewise. The LP tendency should be the opposite direc-

tion: out of every aspect of our lives, no matter how trivial a step. The approach is gradual but it has worked.

Keith Terranova
New York, N.Y.

Resisting Totalitarianism

Much as I agree with Gary Alexander's conclusion ("America's China, China's America," November 1997) that free trade will help make China freer, his discussion of genuine human rights abuses in China is at best insensitive. I am reminded of Eugene Lyons's pointed observations:

Certain of my colleagues, having lived in Nazi Germany and learned to recognize Hitler's methods, have written books exposing the Nazi regime and its intrigues on American soil. As far as I am aware they have not been reprimanded for not saving the Southern share-croppers instead. No book reviewer or liberal commentator has sneered at them, "Why must you carry on about concentration camps and political murder in Germany? What about Sacco and Vanzetti and Negro lynchings?" It is assumed, sensibly, that they happen to know more about Germany.

But this gracious leeway is denied to writers hostile to Stalinist Russia and its foreign conspiratorial empire. When they mention millions of corpses in a Ukrainian famine, they are told off neatly with a scathing reference to the Okies in California. Should they allude to the Soviet purges, they are hit over the head with Mooney and Billings. Until the Soviet-Nazi Pact made the procedure a bit awkward, their indictment of terror in Soviet Russia was instantly canceled out by reference to Nazi terror in Germany. (*The Red Decade*, 1941)

The point is twofold. First, the comparisons between U.S. abuses and those of China are frequently strained and implausible. Second, the sensible response is to "level up" and condemn — not minimize — human rights abuses everywhere.

Alexander's discussion of slave labor camps and Harry Wu is the low point of the article. True, it is difficult to make any precise estimates of the slave labor camp population. But the history of China's slave labor camps under Mao, and the use of slave labor under Communist regimes in general, is alone sufficient for a *prima facie* case. Wu's works provide a wealth of

continued on page 60

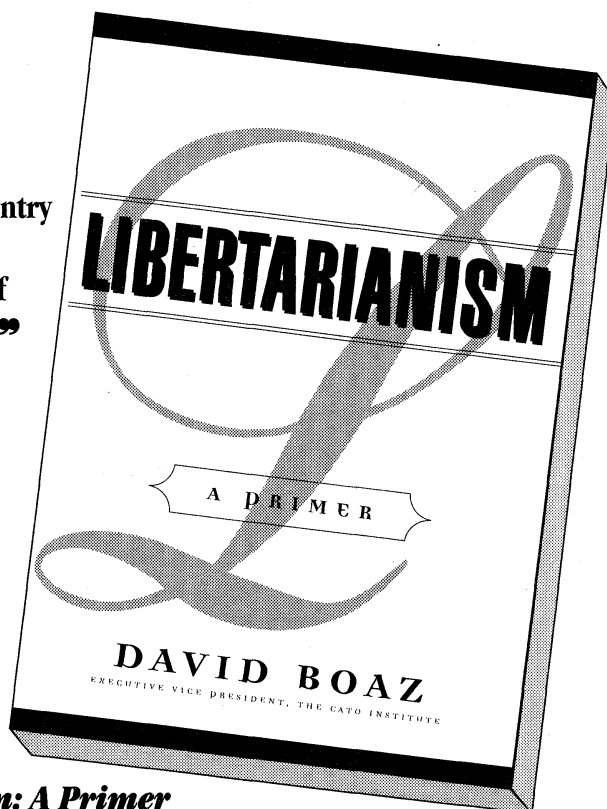
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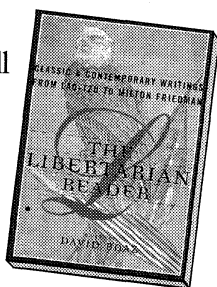


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Reflections

The process of reform — When politicians violate campaign finance laws, rarely is anyone prosecuted. Instead, Congress uses the violations as an excuse to pass new laws for politicians to violate. —HB

Tartar sauce for the goose — The following story, which emerged from the former Soviet Union, was conveyed to me by a Russian friend. I interpret it as a parable of political correctness, wherever and whenever it occurs. To understand this story, you need to know that the Tartars invaded Russia during the middle ages and oppressed the Russians mightily, so mightily that for centuries they have had the saying: "An uninvited guest is worse than a Tartar."

Now, in modern times (so goes the story) the Tartars grew tired of hearing that proverb, which they regarded, quite understandably, as a relic of chauvinism unworthy of the great Soviet people. They petitioned Moscow for a redress of grievances. The Supreme Soviet received their complaint and agreed that the issue was indeed a grave one; something had to be done to re-educate the masses. After lengthy deliberations, orders were given for the proverb to be revised. From now on, people would have to say, "An uninvited guest is *better* than a Tartar." —SC

Shootout at Micro Corral — Americans have always relished in-your-face, don't-tread-on-me confrontations. From the Boston Tea Party to the O-K corral to "Go ahead and make my day" we have understood that although being slow to anger is a virtue, there are occasions on which one head-knocking is worth a thousand words.

The current clash between Bill Gates's Microsoft and Janet Reno's Justice department is not epic, but it is iconic. It is Washington (Redmond) v. Washington (D of C), two formidable competitors for the diamond-studded belt. The one represents private enterprise at its most inventive and dynamic, the other the essence of government as the mechanism *par excellence* for coercive control. Reno has made a career of stolidly enforcing the rules as they have been handed on to her while Gates has reinvented the rules, first in capturing the high peaks of the operating system world while its former landlords were dozing, then dancing behemoth IBM silly and off the floor, and now redrawing the computer desktop to his own pattern.

The disputants also afford us a good look at changes in the contours of the gender frontiers circa the cusp of the 21st century. Gates wasn't captain of the high school football team, homecoming king, leader of the pack. His haircut is rarely seen in the style sections alongside George Clooney's, and David Duchovny leads by a comfortable margin in sales of pin-up posters. Gates is, though, tough and tenacious, a battler who brings to his campaigns verve and imagination. For nerds everywhere he is something of a patron saint, demonstrating that we too can be well-supplied with testosterone and the wherewithal to use it.

Reno also defies, nay obliterates, sexual stereotypes. She

demonstrates not only that a woman can rise through pluck and luck to a high (albeit not the highest) and honored station, but moreover that she can do so without relying on so much as a scintilla of charm, playfulness or grace. Reno has achieved a status formerly occupied by countless men but few women: she has risen to a height demonstrably above her level of competence and bids fair to remain there despite repeated episodes of bungling and embarrassment.

So the packaging of this contretemps is perfection, or at least as close to perfect as a morality play reduced to CNN headlines can aspire. As for the substance of the fight, truth be told it is no more than the dreary and discrepant arcana of which contemporary antitrust procedure is fashioned. Microsoft wishes to extend the domain of its mastery from the world's desktops to the cyberstrings connecting them and so has extended first a toe and then a whole leg into the pond of web browsers. Its current product, Internet Explorer 4, is a wonderful advance on its predecessor and is, I believe, better than anything prime competitor Netscape has been able to put up against it. Thus, in this game too Microsoft is destined to become the paramount player. That preeminence is speeded up by Microsoft's willingness to include the browser at no additional charge with its Windows operating system. Can Netscape compete against such an offer? Can anyone? Apparently not, and so Ms. Reno pulls on her boots and legal briefs and marches off to battle.

Who will win? Without any doubt, Microsoft, if not on this occasion then after a temporary tactical retreat. So the issues at stake are not galvanizing. But who remembers the grounds of combat in Dodge City or the Thrilla in Manila? Only intellectuals believe that it is ideas that matter most. For reasons hardwired into us (you can't exchange DNA with a syllogism), it is not propositions but rather personalities which we find most captivating. And duking it out here are two of the most intriguing and metaphorically evocative personalities in the public domain, veritably a talisman and taliswoman for our times. —LEL

I was a seat-warmer for Al Gore — Living in Washington isn't all strawberries and cream, you know. Sure, we get lots of free museums and a great subway system paid for by the little people, but we do have to live in close proximity to our rulers. I ran into them just the other night. My significant other and I went to the classic Uptown theater to see *L.A. Confidential*. For once we got there quite early, and selected excellent seats, front and center in the balcony. About ten minutes later two Secret Service men approached us and asked if we would mind moving. I said that we had selected our favorite seats, and yes, we would mind moving. They explained that a special guest was coming. I pointed out that there were plenty of empty seats — like 95 percent of the balcony — but we had gotten there early and picked the ones we want. Well, you see, it's the vice president, they explained, and this is where he likes to

sit. Well, you see, it's where we like to sit, and we got here first, I explained. They persisted. I asked, Are you ordering us to move? No, no, we can't do that, they said; we're just asking if you would mind moving. Well, then, I explained, we got here first, and we like these seats, and we would mind moving (I hope that if they had said it was an order I would have had the presence of mind to ask, "What's the controlling legal authority for that order?").

My companion, who abjures public confrontations, tried to compromise: Give us our money back and we'll move to other seats. A manager arrived and again tried to persuade us to move, and we reiterated that compromise. He left, and then returned with free passes to a future movie. At that point we moved to other seats and shortly the Vice President of the United States and Mrs. Gore arrived, happily taking their favorite seats. Knowing the vice president's respect for the Constitution, the rule of law, and limited government in a free society, I know he'd be just mortified if he knew what his agents tried to do. For myself, I felt mildly mortified that I sold my rights as a citizen of a republic for a free movie pass, until an economist friend pointed out that I didn't sell my rights: I stood on my rights and sold my seats. If only I had thought to tell the G-men, "This is a republic, not an empire."

Meanwhile, I recall that a few months ago Vice President Gore addressed the White House Conference on Character Building — and I'm not making that up — and said, "The federal government should never be the baby sitter, the parents," but should be "more like the grandparents in the sense that grandparents perform a nurturing role and are aware of what parenting was like but no longer exercise that kind of authority." Now it's bad enough that the vice president of the United States, a man who holds the job once held by John Adams and Thomas Jefferson, says the federal government should think of citizens as grandchildren. And it's worse that no Republican in Congress challenged his patronizing statement. But what really adds insult to injury is that, I don't know about you, but my granddad never asked me to give up my seat at the movies. —DB

Revolution No. 9 — On October 7, the 9th Circuit Court of Appeals ruled that California's term limits law is void, on grounds that voters who approved it were not told that the measure put a lifetime limit on legislators.

This marvelous bit of logic could undo a whole raft of legal mischief. For example, the legislation that has been used by environmentalists to keep farmers from planting crops in fields which have small pools after heavy rains in the spring would be void if the Congresspersons voting on the measure had not been informed that it would do so. The same fate would await RICO legislation and the Americans with Disabilities Act — surely no one informed Congress that the former would apply to anti-abortion demonstrators or that the latter would require a baseball team to use a wheelchair-bound third base coach.

I have only seen press reports of the decision, so I am not sure whether it is

aimed only at the enactment of laws or, more generally, at decisions made by electors in the privacy of the voting booth. If the latter is its intent, then by its logic every elected official who takes any action that he failed to inform voters of prior to his election would be removed from office. This would, presumably, include all elected officials. (I do not recall, for example, that Bill Clinton informed voters prior to his 1992 election that he intended to appoint an Attorney General who would authorize a tank assault on a religious community in Texas.) The elimination of elected officials at the moment they first took any action that they hadn't informed voters of prior to their election would have a salubrious effect on the quality of legislation, and of government in general.

Of course, given the record of judicial activism by the 9th Circuit Court, I suspect the logic of the ruling will only apply to laws that offend the delicate political sensibilities of its judges. —RWB

To BB or not to BB — Is a BB gun a firearm? A new study tried to answer that question by shooting BBs into pig eyes. The pigs were ten weeks old and weighed 230 pounds before they gave their eyes to science. The pig eyes had roughly the same size and shape as human eyes. The Canadian study, published in the *Journal of the International Wound Ballistics Association*, tried to find how fast a BB has to travel to put out a pig's eye.

Section 84(1) of Canada's criminal code defines a firearm as "any barreled weapon from which any shot, bullet, or other projectile can be discharged and that is capable of causing serious bodily injury." Eye loss counts as "serious bodily injury." So the question was whether the common BB guns that many young boys like to play with cross the fuzzy legal line between firearms and non-firearms.

The researchers used a pump-action Model 760 Crossman BB gun. The pump action let them increase the gun's air pressure and so increase the speed with which the tiny copper-plated steel spheres shot from the barrel. Pump BB guns can propel a BB at well over 600 feet per second. Autopsy reports confirm that BBs moving at this speed can kill an adult by piercing the chest and then the aorta. Most handguns have muzzle velocities in the range of 1000 ft/sec. High-powered rifles can have muzzle velocities that exceed 4,000 ft/sec.

The study found that on average a BB had to go 246 ft/sec to pierce a cornea. This velocity was the nonlinear ballistic threshold. Slower BBs just bounced off the cornea. Piercing BBs cut through the iris and the lens and lodged against the retina in the back of the eye. A similar study in 1994 found that a BB had to travel about 330 ft/sec to pierce pig skin. The new Canadian study refutes an earlier claim (from the October 1996 issue of the *Journal of Trauma*) that a BB going only 130 ft/sec could pierce an eye. The new study was consistent with a 1964 study in the *American Journal of Ophthalmology* that shot BBs at rabbit eyes. The 1964 study found that a BB had to travel about 249 ft/sec to pierce a rabbit eye. So the piercing thresholds for pig and

Liberty's Editors Reflect

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AB	Alan Bock
RWB	R.W. Bradford
HB	Harry Browne
SC	Stephen Cox
RH	Robert Higgs
BK	Bill Kauffman
BtK	Bart Kosko
LEL	Loren Lomasky
RR	Ralph Raico
JSR	James S. Robbins
SS	Sandy Shaw
TWV	Timothy Virkkala

rabbit eyes differ by little more than 1%.

Researchers seem loathe to shoot human corneas despite or perhaps because of the gray market in them. A cover story in the November 2, 1997 issue of the *Los Angeles Times* revealed that the LA County coroner's office has cut out and sold thousands of corneas from fresh cadavers. The coroner's office did not ask or tell (or pay) the relatives of the deceased in most cases. California's little-known 1983 Coroner's Law makes such morgue-based cornea mills technically legal. Eye banks resell the corneas at as much as a 1,400% markup.

The result is that most BB guns count as legal firearms — at least in Canada. Daisy's Red Ryder lever action BB gun seems to be the most common BB gun in the USA. One of the study's authors measured the Red Ryder's muzzle velocity and found that it had the mean value of 265 ft/sec. That is 19 ft/sec over the mean value for putting out the eyes of pigs and "thus" for putting out the eyes of humans.

Most gun makers have tried to increase the power of their guns. Daisy might want to dampen down the air power of their BB guns. This would make BB guns safer and spare them the legal status of firearms. BB guns would survive a 10% loss in muzzle velocity. Heavier BBs would also reduce the muzzle velocity.

The fate of the air gun may depend on such reductions. BB guns may prove the end of the world for a few hapless songbirds. But they give many young people their first taste of gun freedom. —BtK

The wages of congress — All right, members of Congress haven't had a raise in several years. And maybe \$133,673 wasn't all that princely a salary for congressmen; after all, the University of California at Irvine just hired a new dean of the Graduate School of Management for \$175,000 a year. Congress was criticized when it tried to put the matter of its own pay level into the hands of a supposedly independent commission, and it has been criticized even more when it has voted itself pay raises, which at least showed a semblance of taking responsibility.

So a case can be made that the \$3,000 stealth pay raise Congress managed to vote itself without so much as mentioning the delicate matter during floor debate was somewhat justifiable. Fine. But there are other ways of looking at the question of pay for legislators.

One way of determining whether the pay for a certain job is too high, too low, or just about right is to take note of whether there is a plentiful supply of applicants for the job when a position becomes vacant. I haven't noticed that any Congressional seats have gone unfilled. Some incumbents face little or even no opposition when re-election time comes, but that's not because the pay is too low. More often it's because gerrymandering and the tax-subsidized advantages of incumbency make a successful challenge virtually impossible.

Truth to tell, hardly anybody runs for Congress for the pay. They run for the power or the opportunity to serve, or some combination of these and other motives. Many members of Congress would stay on if the actual salary were cut to zero and other perks were left unchanged.

It should also be noted that while other people make more than \$136,000 in American society, the salary is far

from poverty level. In fact, when members of Congress wax indignant about the need to tax "the rich," they usually mean people with salaries far lower — in the \$75,000 range — when the robber meets the road.

Was the raise outrageous? Maybe not. Was it necessary? Probably not. Was it accomplished outrageously? Yes. —AB

Fighting fantasies — In the November issue of *Liberty*, I wrote a Reflection about the FDR Memorial in Washington. But before that Reflection was printed, it developed a disastrous typo. The typo happened in the last word of the last sentence, which was the word that I planned to justify the existence of all the other words.

In case you care, the last word was *monument*, and that word was omitted.

Now, I am like everyone else who writes for *Liberty*, or any other journal. I respond to the appearance of each new issue by dropping everything I am doing so that I can read . . . the article that I wrote. There are few greater (or more delusive) pleasures than that of reading one's own printed prose. But my pleasure on this occasion was short-lived. I arrived soon enough at the intended climax of the Reflection, and instead of finding a *monument*, I found myself staring into a typographical abyss.

Immediately I asked myself, "What would Howard Roark do in a case like this?" And just as immediately, an answer came to me: He would blow that Reflection up. In *The Fountainhead*, Roark dynamited a building that he had designed, because it was not built to his specifications. And the jury acquitted him. Gazing at my mutilated Reflection, I was sure that if I blew it up, no jury would convict me, either.

There was only one problem. No matter how hard you try, you simply can't blow up a Reflection.

THE PRESIDENT WANTS CHILD PROOF LOCKS ON ALL HANDGUNS



That doesn't mean, of course, that there's anything wrong with the story of Howard Roark; it just means that there are some problems that a story cannot solve, at least if one insists on interpreting it with complete and naive literalness.

This is true, even when half the fun that one gets out of a story comes from interpreting it that way. When I was in elementary school, television seemed to consist largely of westerns. There was something for every taste, from *Wyatt Earp* and *Gunsmoke* to *Davy Crockett* and (my personal favorite) *Spin and Marty*. These stories made a big impression. Informal surveys indicated that my class was almost entirely composed of future cowboys, future cowgirls, and other future monarchs of the Wild Frontier. Unfortunately, the market for cowboys, etc., was rather limited in central lower Michigan. It just wasn't the right context. If you wanted to follow the footsteps of Spin Evans and his horse Sailor, you'd have to start from someplace other than the place you were in.

Other children of my generation were devoted, with still less reason, to the romance of Camelot. Supposing that we can trust Bill Clinton's memory, which is seldom very dependable, our president grew up wanting to model his life on the story of John F. Kennedy. In a way, his dream came true — but with the loss of its vital element. Clinton became president, but what he really wanted, as it now appears, was JFK's ability to do exactly what he pleased, while remaining powerful, popular, and thin. Clinton's fantasy, which proved both acute and chronic, finally incapacitated him for any adult occupation.

Conservatives are also afflicted with story ideas that have been wrenched grotesquely out of context. One of their favorite inspirations is the book of Exodus, where God appoints Moses to lay down the law. Every conservative regards himself as a little Moses, planning to end domestic violence by outlawing pornography or cure juvenile delinquency by arresting teenagers for buying smokes. And if laying down the law doesn't accomplish the expected purpose, conservatives can console themselves with yet another story. They can revel in apocalyptic fantasies about the end of this wicked world.

Modern liberals have their own fantasies, derived at fourth or fifth hand from all those Victorian novels in which the have-nots are saved and uplifted by the social condescension of the haves. In Dickens, or Horatio Alger, or any of the rest of them, "compassion" has dependable results. The modern liberals believe, accordingly, that if you provide enough compassion (in monetary form, of course: less fuss that way) then all social problems will be solved. And again, if the story doesn't turn out quite the way you'd like, you can amuse yourself with fantasies of a hellish end — race war or global warming, take your pick.

I come now, as you probably expected, to us libertarians. Our fantasies are also based on exciting stories, interpreted with dogged naiveté. Some of these stories are folkloric versions of economic history. Many libertarians believe that when the economy totally collapses, as it is always just about to do, they can take their hoard of double eagles and buy up Manhattan Island.

A lot of libertarians, however, are fighters instead of hoarders. They see their lives as part of an epic battle against evil — the evil in other libertarians. Their chief inspiration

seems to come from that wonderful film, *Invasion of the Body Snatchers* (I'm talking about the first version of the movie; the second version is just plain *silly*.) If other people can't agree with me, it's probably because . . . they aren't people after all! They're pods from outer space. Statist pods. They may seem friendly, but they're out to steal my soul.

The role of the last righteous person is a very dramatic role to play. And it's so easy. After all, you don't have to worry about an audience; you can make everything up to suit yourself. But I don't want to reveal too much. Some phony pod may be listening. . . . —SC

Halloweenies — Two decades ago, if someone were aiming to satirize, say, the World Council of Churches, he might have written something like this: "Yesterday, after meeting to provide aid to Marxist guerrillas in central Africa, the board of the WCC took time off to join an interfaith fellowship with two covens of witches. The consensus of the meeting — at which all participants gathered in a circle and held hands — was to declare Halloween a religious holiday, and thus inappropriate for observance in public schools."

These days, of course, African guerrillas are out of fashion — though African gorillas are an appropriate object for ecumenical support. But the fantasy of an interfaith meeting with witches is no longer satire: it is the kind of thing that churches belonging to the World Council of Churches are apt to organize.

Indeed, during Halloween week a local paper reported on one such meeting in Kitsap County, Washington, hand-holding and all. The witches who participated in this Interfaith Alliance seemed ebullient — they had gained some respect from the mavens of liberal Christendom. All spoke high-mindedly of the separation of church and state, and the organizer of the event (a minister of the local outlet for the United Church of Christ) appealed for a "oneness that enables us to develop a world that reflects a life that is intended."

I commend this dedication to the separation of church and state. But I wonder: once the druids and practitioners of "Wicca" gain enough respect, will they continue to uphold the wall between them and political power? I see the future, as if in a crystal ball, archly: the united churches of Jesus and Satan and Yahweh and Allah all hold hands at the public trough, taking tax funds from the citizenry and distributing these funds to the churches/covens/synagogues/mosques by percentage of registered parishioners/acolytes/what-have-yous.

And in all this the true nature of pagan events like Halloween gets lost. It's a time to dress up, wear masks, pretend to be "evil" or "dangerous" or "beautiful" for the hell of it. And the hell of it has little to do with Hell, or with a "day where the veil of consciousness separating the living and the dead is at its thinnest," and a whole lot to do with the imp of the reverse: Halloween is the other side of the coin of civilization, which constantly demands that we "behave well." And so once a year we *pretend* to behave "ill."

It is all pretense, and mostly harmless. Halloween is as American as the Fourth of July, and as religious as the Easter Bunny. It is commercial, sportive, and one of the few cultural events left for children to play it up in a big way, and where adults *must watch*.

It's a pity that some adults are holding hands aiming to take Halloween away from the kids, and give it to the devout — even while mouthing the shibboleths of freedom. —TWV

Babbling Brooks — If there is a more boring political magazine than *The Weekly Standard*, I don't want to know about it. Unfortunately, with Rupert Murdoch's millions to draw on, *The Standard* will probably be around for a while. Since it is quintessentially neo-con, the left liberal media love it. They can parade editor Bill Kristol all over the place, thus demonstrating their amazing openness to the "conservative" point of view.

Last September, Kristol, who's a fairly smart cookie, joined with his senior editor, David Brooks, who isn't, to publish a major op-ed piece in *The Wall Street Journal* on "What Ails Conservatism." They spoke out for "national greatness conservatism," the conservatism, for instance, of Teddy Roosevelt (of whom Charles Beard noted that he was the only major figure in American history who ever believed that war was a good in itself). Libertarians most especially disturb Kristol and Brooks: "How can Americans love their nation if they hate its government," they ask, more than a touch naively. These neo-con intellectuals seem to be as ignorant of history as the typical American college student. Evidently, they have never heard of William Lloyd Garrison, Henry David Thoreau, or Mark Twain — or of H.L. Mencken, who lovingly composed *The American Language*, and at the same time boasted that there was no American president in his lifetime he did not despise. Kristol's mom, the accomplished scholar Gertrude Himmelfarb, ought to supply her boy with a mandatory reading list before she lets him shoot off his mouth again.

As for David Brooks, it's difficult to think of anything that could help him in his smug and pretentious stupidity. For proof, consider his review, in *The New York Times Book Review* (October 5), of *The Journals of Ayn Rand*, edited by David Harriman. That Brooks produced a mere uninformed hatchet job is not surprising. What is laughable is this nudnik's air of easy familiarity with the whole of intellectual history. Jean-Jacques Rousseau, he informs us, "anticipated most of [Rand's] ideas and dismissed them with a flick of his wrist" (the comical pose of sophistication in this idiotic statement is priceless). Marx, too, it turns out, was a precursor of Rand. How is that possible, you ask? Well, Marx had a theory of class struggle — between productive and parasitic people — which Rand took and "stood on its head." But didn't most classical liberals before and after Marx also speak of productive and parasitic classes? Not that Brooks ever heard of. Here's the best part, though (read slowly, preferably sitting down): Brooks condemns Rand as "a woman who could write blithely about human parasites as news of the Holocaust was trickling back from Europe." A statement more breathtaking in its sheer fatuousness would be hard to imagine. With this, Brooks has virtually clinched the prize he's obviously been vying for — the coveted Schmuck of the Year Award. —RR

The President's handicap — When the President played a few rounds of golf during his vacation, reports again circulated that he had trimmed his score by a few strokes. There is no reason to be surprised at this.

Clinton cheats at everything — cheated at politics, cheated on his wife — his entire life is a violation of the rules. And because of this, he pays the price. No one respects him. He can announce that he broke 79 during his vacation, but no one believes it. He has a score card to prove it, but of course he kept his own score. Short of the Justice Department assigning a Special Caddy to the President I doubt anyone would take any of his golf score claims seriously.

One wonders if the other golfing Presidents ever behaved this way. Can one imagine Calvin Coolidge subtracting strokes just to win a bet? Or Dwight Eisenhower facing accusatory questions over alleged practice swings? And one wonders why Clinton cheats in the first place — to impress people with his scores? No one believes them. To win money? Maybe, he does have all those legal fees to contend with. . . . Or perhaps it is just to "win"? After all, that is the reason why he became President, just to win, just to "be President," not actually to *do* anything.

I understand that the President plays solitaire frequently. I'll bet he wins a lot too. —JSR

Genocide is up, but so is disposable income! — Among those who design and evaluate economic policies, Herbert Stein has been a fixture for more than fifty years. In his popular books and widely read newspaper articles, he has established himself as knowledgeable, professionally competent and, above all, reasonable. Herb Stein always keeps things in perspective. His intellectual touchstone is balance.

My complaint is that Stein sometimes holds in equipoise matters that in reality are far from balanced and should not be viewed as if they were. A perfect example of Stein's tendency to balance the unbalanced appears in his October 21, 1997, article in *The Wall Street Journal*. There, under the heading "A Lifetime of Progress," he reviews some major episodes and trends of social, political, and economic life since his birth in 1916.

Naturally, Stein concludes that notwithstanding the deaths of hundreds of millions of people in wars and genocides orchestrated by governments, this bloody century has



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Pearson & Sandy Shaw escaped to small towns across America. Hear their thoughts on the blessings and difficulties of life in small towns from Washington state to Nevada to New York. (audio: A102; video: V102)

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Libertarianism As If (the Other 99% of) People Mattered • **Loren Lomasky** shows how to communicate effectively with the obstinately anti-freedom population of virtually everywhere. (audio: A204; video: v204)

Do Short-Sighted Corporate Decision-Makers Screw the Future? • Collectivists claim free markets destroy society and the environment, because companies only think on a quarter-to-quarter basis. Economist **Richard Stroup** takes on this charge. (audio: A145; video: V145)

Why Not Hang 'em All? • Everyone's talking about crime and punishment, but few ever take an economist's approach — or approach the topic without an unrealistic trust in government. **David Friedman** explains the benefits of apparently inefficient punishment, with a historian's eye for how different societies have dealt with criminals in the past. (audio: A149; video: V149)

What Libertarians Can Learn from Environmentalists • Libertarian **Randal O'Toole** has worked with environmentalists for years, observing the strategies of one of this century's most successful political movements. In this fascinating talk, he applies his insights to the battle for freedom. (audio: A152; video: V152)

Has Environmentalism Run Its Course? • The honeymoon is over for green giants like the Sierra Club and the Wilderness Society. But what about the environmental movement as a whole? And are free-market environmentalists getting anywhere? **Fred Smith**, **Randal O'Toole**, **Jane Shaw**, **Rick Stroup** & **R.W. Bradford** debate. (audio: A157; video: V157)

Anarchy via Encryption • The days of the government snoop are numbered. **David Friedman** discusses the practical workings of new privacy technology — and speculates on its long-term consequences, both inspiring and frightening. (audio: A116; video: V116)

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Liberty for Sale • How to sell the idea of freedom, in one quick, easy lesson. **Harry Browne** is at the top of his form here: clear, humorous, and insightful. (audio: A302; video: V302)

Will Technology Advance Liberty or the State? • For every glowing prediction of the liberating effects of technology, there is a clipper chip, a phone tap, or a spy satellite. **Harry Browne** presides while **Ross Overbeek, David Friedman, Bill Bradford and Sandy Shaw** measure the capabilities of Freedom and Leviathan. (audio: A303; video: V303)

The New Libertarianism • Something has changed in libertarian discourse over the last decade. **Bill Bradford** talks about this shift in the foundation of rights theory and exposes the nature of consequentialism and the consequences of natural rights. (audio: A304; video: V304)

A Positive Account of Property Rights • **David Friedman** takes an economist's-eye view of the question "what is a right?" and explains why certain rights keep on coming back to haunt those who would like to govern without constraint. (audio: A305; video: V305)

Paper Money, Gold, and Inflation • **Bruce Ramsey** makes a libertarian case for fiat paper money. Here we put him on the spot, with **Richard Timberlake, David Friedman, Bill Bradford, and Harry Browne** providing some free-market alternatives. (audio: A306; video: V306)

In-Group vs. Out-Group/New Frontiers in Biology • **Timothy Virkkala** explores the darker side of human nature: dumping on other people with self-righteous gusto. Also, **Ross Overbeek** explains what breakthrough discoveries in the life sciences will mean to us in the future — and what they should mean to us right now. (audio: A307; video: V307)

been, by and large and nearly everywhere, a time of great progress. People have acquired more schooling; incomes have risen; social and political inequalities have diminished. We have automobiles, air-conditioning, and VCRs. Count your blessings.

Stein recognizes that "there are people who see in the present size of the federal government a considerable abridgment of the freedom Americans enjoyed 81 years ago." But not to worry. Despite the great increases in taxation, after-tax incomes have risen greatly since 1916.

Moreover, Stein asserts that "despite the increase of regulations," the average American "has much more freedom than he did." How can that be? In Stein's view "the limitations of his freedom are dwarfed by the expansions of his freedom resulting from the rise of incomes and education and from the decline of the constraints that had been imposed by racial, gender and ethnic prejudice."

At this point Stein has toppled into error. He is surely correct to note the improvements in income and education and the wider acceptance of blacks, women, and Jews in previously inaccessible institutions and occupations. But these developments did not offset the enormous reductions of freedom that all Americans have suffered since World War I.

When taxation and regulation increased, the government deprived everyone of rights previously enjoyed. Stein attempts to balance incommensurables when he argues, for example, that we are more regulated and therefore less free, but we have higher incomes and therefore are more free. He confuses freedom in the negative sense — the absence of government coercion — with people's capacity to acquire goods and services or social acceptance. It is not that the latter doesn't matter; it is just that the latter is not, properly speaking, a form of freedom at all.

It is one thing to be free, to be unmolested by threats of official violence as we go about our lives. It is something else altogether to have the capacity to achieve our ends in this unmolested environment. People may be free but poor, free but disliked by their neighbors. But they may also be rich but unfree, accepted by their neighbors but unfree. The latter has become increasingly the case for Americans in the twentieth century. This point has been discussed so often that one can only wonder how a commentator of Stein's sagacity could make such an elementary blunder.

And when Stein says "Government need not be the enemy of freedom. There are more important freedoms than freedom from

government," one can only respond: How can anyone whose family name is Stein, of all people, make such a statement? —RH

Edsel on the information superhighway —

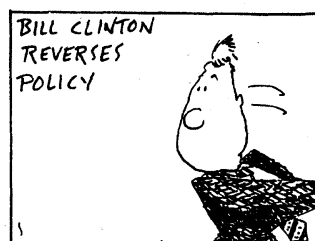
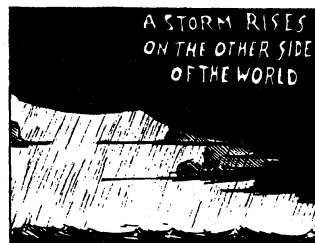
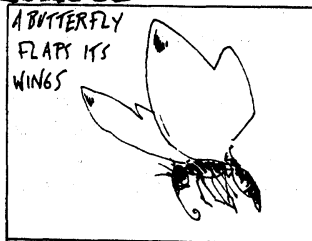
A little news blurb in the November 1997 issue of *Wired* magazine described Lionel Jospin, the French prime minister, urging the French to wean themselves off the Minitel. This veiled admission of failed central planning is the final nail in the coffin of the Minitel, the French government's information-technology version of the Moscow subway. It was delivered in a speech to French university students during which Jospin set the pompous, nationalistic tone by saying, "France and French culture must occupy their rightful place in the global information society."

Of course that was already the objective when the French government ordered, regulated, and subsidized into existence the Minitel, a now-primitive, French-only computer network. For many years France and the French touted their Minitel as an example of how Colbertisme was not only alive and well, but kicking ass. For as many years, I told anyone who would listen, including the French among whom I lived, that the Minitel was a dead end. Not long ago Vice President Gore, was citing the Minitel as the sort of infotech industrial strategy that America needed. "We (meaning the federal government) aren't doing enough," was the apparent plea.

I would like to say, "I told you so," but I was wrong. The Minitel has not proven to be a dead end; it has proven to be something even worse, a millstone around the neck of France's "information society."

With a relatively inexpensive dumb terminal, the Minitel does well a tiny portion of what the internet does wonderfully. And, because of French government policy, everyone in France has and uses it. The French have invested in and learned to rely on the Minitel. It performs a few of the functions that unimaginative newbies might first want when connecting to the internet, thus discouraging them from doing so. Also, the Minitel cannot be effectively connected to the internet. It must be thrown away. Because of its investment in Minitel, France is among the least connected of developed nations.

CHAOS THEORY



As government projects go, the Minitel was not terribly expensive to implement, but it has proven to be a terribly expensive mistake. Magnificent in defeat.

—guest reflection by Michael Christian

Libertarianish — Last January, having finished writing a report on the free-market revolution in New Zealand, I emailed copies of it to some New Zealand libertarians for their comments and fact corrections. They graciously responded, and helped me make the report more accurate.

One of them wanted to go further. Lindsay Perigo, leader of New Zealand's Libertarianz party, was unhappy with part of what I had said. He didn't care for my characterizing another, more successful New Zealand political party as libertarian. And he thought that the situation in New Zealand was far worse than I had indicated. He asked me whether *Liberty* would publish a response from him. I enthusiastically agreed to. But time passed, and nothing arrived. I was disappointed, as Perigo is a perspicacious observer and a lively writer.

So I was delighted to learn that he eventually did a critique, though I was disappointed that he decided against publishing it in *Liberty*. He chose as his forum the Institute for Objectivist Studies summer meeting in Virginia, and eventually reprinted his remarks in his magazine, *The Free Radical*, a copy of which I received only today.

I was disappointed. While his lecture made lively reading, it was marred by bizarre mischaracterizations of what I had written. In one case, he actually misquoted me, while in others he dropped the explicit context of what I wrote.

First, the misquotation. Three times in his lecture, Perigo heaps ridicule on me for having written that Sir Roger Douglas, the Minister of Finance of New Zealand in the 1980s who formulated and implemented the country's free-market revolution, "slew the statist dragon." This phrase is not my style, and I looked for it in my article in vain. After failing in my search, I mentioned it to Timothy Virkkala, *Liberty's* managing editor. "Didn't that appear on our contents page?" he said.

I checked. On the contents page of our March issue was the following entry:

"The Art of the Possible. The key player in New Zealand's Revolution, Sir Roger Douglas, tells how he slew the statist dragon."

Now it is certainly true that I sometimes have a hand in writing some of these descriptions that appear on *Liberty's* contents page. But I didn't write this one, and there's absolutely no reason to believe that I did. It wasn't even a description of my article.

This misquotation was only the beginning. The bulk of Perigo's ire is aimed at my suggestion that Douglas and the new political party he founded are libertarian. This was no surprise to me. Perigo was involved with Douglas's political party early on, and left it to form his own party. In the last election, Douglas's ACT party (Association of Consumers and Taxpayers) received 126,421 votes, which was 125,794 more votes than Perigo's Libertarianz party got.

I first encountered Perigo's animosity toward Douglas when I interviewed Perigo in New Zealand. As evidence of Douglas's perniciousness, Perigo cited Douglas's call for retaining New Zealand's ubiquitous General Sales Tax (GST), while abolishing its income tax. To punish him for

this sin, Perigo habitually and very publicly calls Douglas's political party the Association of Consumers and Taxpayers (or "ACT") as the "Association of Compulsion Touters."

Perigo explained to me that his own party, the Libertarianz, calls for the immediate abolition of the GST, while retaining the income tax, in hopes that the Libertarianz might deflect charges that it is a party of rich people, since the GST is generally reckoned to hit the poor harder than the rich.

Of course, I recognize that neither of these programs can rightly be called "libertarian" if by "libertarian" one means "advocating the total and immediate elimination of orga-

nized compulsion." So before identifying Perigo and Douglas as "libertarians" I was careful to establish the context: "If by 'libertarian,' we mean a person who favors radically reducing the power of government, then it is safe to say that New Zealand has two libertarian political parties: ACT and the Libertarianz." But neither his own party's "compulsion touting" nor my very careful definition of how I was using the term "libertarian" has discouraged Perigo from denouncing me for characterizing ACT as libertarian, or discouraged him from railing at me for calling Douglas "the most effective libertarian politician of this century" and the world's "most libertarian politician."

Achieving Liberty

In the past two issues of Liberty, Harry Browne and Bill Bradford have discussed the prospects for advancing the cause of freedom via the Libertarian Party. In this issue, Timothy Virkkala and David Nolan join the discussion.

The fig leaf of public interest — Harry Browne has suggested that the way to win votes is by appealing directly to the self-interest of voters. I don't think this works very well.

People want their interests served, yes, but they want their interests served while decently cloaked in the alluring robes of "the public interest." A libertarian policy initiative, for instance, must sound "good for everybody" — for the nation, for the world — and must sound good from the first words of the phrasing to the last. But the appeal to the citizen being addressed should be easy to see, easy to discover.

People want to be better off. And they want to appear friendly and charitable to their fellow citizens, maybe even a bit noble. And that is what any politician must give them: an excuse to profit while everyone cheers.

This should not be *too* hard a task, since libertarian ideas are, by and large, best for most people. If you can't make the case for that, then you should ask yourself why you advocate freedom. Why would you *want* to advocate policies that aren't best for the most people? —TWV

Winning in 2004 — As one of the founders of the Libertarian Party, I have followed the debate between Harry Browne and Bill Bradford with some interest. And while they each make valid points, I feel that both of them are myopic in their conclusions.

First, I'd have to agree with Bill that the prospect of a growth in LP membership to 200,000 over the next two or three years is highly unlikely if it is all to come from standard direct-mail solicitations. As of this writing, the national party will be doing well to end 1997 with 25,000 dues-paying members. Over time, membership has roughly doubled every two years, with most of that growth coming in election years. A membership of 50,000 as of January 1, 2000 seems reasonable; a figure of 200,000 does not.

That's the bad news. The good news is that if Harry received 1/2% of the presidential vote when only 4% of the voters even knew of his candidacy (a plausible figure, in my estimation) then simple math suggests that he captured roughly one-eighth of the votes of those who had heard of

him. This jibes well with the Gallup Poll labeling 22% of Americans as "libertarian," as we would expect that many of those 22% would choose not to "waste their vote" once they entered the voting booth . . . assuming that they bothered to vote at all.

I think the 1/8 ratio can be expected to hold up or even increase as awareness of the LP and its candidates is expanded. And, as Harry notes, all that expansion requires is money . . . lots of it. With \$50-\$100 million to spend on a national campaign, I think it's entirely plausible that a well-chosen, appealing Libertarian ticket could garner an eighth of the vote for president and VP . . . which would put us in Perot/Wallace/LaFollette territory, and within marching distance of victory the next time out.

The question, obviously, is: How do we get there? Where do we come up with the credible candidates, and the money?

Averages are meaningless and change is not linear. If a national Libertarian campaign is to raise \$50 million, it will not be by getting 200,000 contributions of \$250 apiece. There will have to be at least one "heavy hitter" to prime the pump with \$10 million or more (*à la* Perot) and a thousand people contributing the legal maximum of \$20,000. That's \$30 million; the rest will come from the \$100-a-pop folks.

Suppose, for the moment, that the LP builds its membership to 50,000 and recruits a ticket like management guru Tom Peters and a \$10-million-donor running mate for the 2000 election. (That kind of money isn't highly unusual these days; it took \$475 million to make the 1997 Forbes 400 List.)

Further suppose that the Republicans nominate someone from the Buchanan wing of the GOP as their standard-bearer. The mostly-liberal media suddenly "discover" the LP ticket . . . a discovery made easier by the fact that we're buying ads on the nightly network news. A few prominent Republicans endorse our ticket; membership triples to 150,000 and the campaign budget swells to \$75 million.

Under those circumstances, an election-day showing of 15% to 20% becomes very plausible. A few Libertarians get elected to Congress, and several Congressional Republicans switch their allegiance in 2001. And we're well on our way to a national victory in 2004 or 2008.

Fantasy? Perhaps. But there's nothing in the scenario I've outlined above that's impossible, or even that "defies rationality." I'm not saying it *will* happen, but it certainly *could*. —David F. Nolan

Mea culpa, mea maxima culpa: after carefully defining my use of the term "libertarian," I did indeed characterize Douglas in those words — though I did not, as Perigo claims at one point, call Douglas "most libertarian politician in the history of the universe."

My personal favorite of Perigo's criticisms came early in his talk: "In a fit of ridiculous hyperbole, Mr. Bradford implicitly likened New Zealand's revolution to the Industrial Revolution itself." What had inspired this remark? I had written "Will [New Zealand's] Revolution last, as the Industrial Revolution has lasted? Or will it die and be forgotten, suffering the fate of the Russian Revolution?"

If this be a "fit of ridiculous hyperbole," I say, let us make the most of it!
—R.W. Bradford

Hubris in the name of science — As we approach the conference on "global warming" in Kyoto, there have been increasingly hysterical rants in *Science* and *Nature* masquerading as "analysis." These would be laughable if the views being paraded about as "science" were not picked up and passed on by many (in the media and elsewhere) who do not know any better.

In "Mass Extinction and Evolution" (*Science*, October 24), Norman Myers writes that "... two reports [in this issue]... consider aspects of the mass extinction that is now overtaking the world's biodiversity. The new results indirectly throw light on an overlooked but significant angle of the biotic crisis: its grossly disruptive impact on the future course of evolution. ... [this] prompts thoughts about the evolutionary future. Regrettably the latter remains a black hole of research, even though the next few decades seem set to impose a profoundly depletive hiatus on certain basic processes of evolution." Wow, what arrogance! This guy actually believes that human beings are now in a position to control the process of evolution. But no matter what people do to extant populations, the processes of evolution will continue on their way merrily. After all, life has survived disaster after disaster in the past, and is still going strong. The mix of beasts is undoubtedly different from what it would have been in the absence of any particular disaster, but so what?

"Evolution" does not care. Human beings are destined to go extinct sometime, too. In a few tens of thousands of years or whatever, humanity (as we know it) will be gone and whatever we do or don't do today won't make a tad of difference to the creatures then living on Earth.

Myers misrepresents seriously the findings of one of the reports. The report — "Extinction and the Loss of Evolutionary History" by Nee and May (the same issue of *Science*) — shows that, even if 95 percent of all species were lost, approximately 80 percent of the underlying genetic tree would be likely to survive. Further, they state that the proportion surviving is relatively insensitive, on average, to whether the saved species are chosen randomly or optimally. It would appear that central planning of evolution is likely to be about as effective as central planning of economies.

These scientific prophecies are prime specimens of the continuing corruption of science by government inducements of money and power. (I am reminded of the scene in the 1965 Beatles' movie *HELP!*, where the inept scientist sticks a gun in Ringo's face and says "In the name of Science, give me that ring!" It was funny, then.)

I think the moral is this: If you like a certain mix of beasts, then invest (your own money, please) in that mix. But don't imagine that you are thereby saving "evolution" itself and don't imagine that your preferred mix has any moral superiority to anybody else's.
—SS

All or nothing at all — Those who hate the income tax (i.e. 99% of Americans) cheered when a Senate committee paraded victims of IRS abuse before the TV cameras. The heart-breaking stories even maneuvered Bill Clinton into agreeing that the IRS must be reformed.

So what will come of all this newfound disgust with the IRS?

Absolutely nothing. The politicians — especially Republicans — will use it as a campaign issue for an election or two, but nothing significant will be done to tone down the ferocity of the IRS. Nothing *can* be done.

An enormous government — one now approaching \$2 trillion a year — requires an enormous, energetic, pitiless, take-no-prisoners tax-collection agency. If the IRS truly were reined in, tax collections would nose-dive, and the politicians would have to make real reductions in the size of government. No chance.

Notwithstanding the mutterings of Steve Forbes, Bill Archer, or Richard Armitage, no one is going to "pull the IRS up by the roots" or "drive a stake through its heart." They might change its name to the Internal Benevolent Revenue Service, but its methods won't change. Railing at the IRS is good for fund-raising and votes, but *changing* the IRS doesn't fit in any politician's agenda.

The proposed flat tax won't do away with the IRS. You might be able to file your return on a postcard, but your friendly IRS agent will show up at your door demanding that you prove you don't have any unreported income and that you really are

My Fellow Prison Inmates' Top Ten Pet Peeves at Christmastime

10. Sarah Jane Moore celebrates Hanukkah and won't play Santa Claus.
9. Can't order any of K-Tel's special Christmas records.
8. Having the guards "Ho, Ho, Ho" as they shakedown your room on Christmas eve.
7. We're here — and Hillary's not.
6. Unable to stay up late and watch the "Beavis & Buttthead Christmas Special."
5. The cooks just can't make textured vegetable protein look like Baked Alaska.
4. Our once-a-year male stripper is really Delores.
3. The warden always wins the talent show with his Janet Reno — J. Edgar Hoover impersonation.
2. No chance of receiving a presidential pardon or immediate release in the mail on Christmas or New Year's Day.
1. Sarah Jane Moore won't be out before the State of Union Address.

—Dyanne Petersen

entitled to whatever exemptions you took.

Replacing the income tax with a sales tax would do away with the need for the IRS only by replacing it with some new agency to browbeat retailers. But by the time medicine, food, and other essentials are exempted from the sales tax, a rate of 25% or more will be necessary to finance big government — a rate that will never fly politically.

For the same reason, the flat tax will never be a reality. By the time the politicians provide healthy exemptions, retain their favorite deductions, and strike low-income workers from the rolls, the tax rate will have to be over 25%, and will never be approved.

The flat tax and sales tax are cons whose time will never come. Just like IRS reform, they are issues politicians can use to raise money and gather votes, but they won't be realities in our lifetime.

Every suggested tax reform is merely an attempt to redistribute the awful burden of big government. The only way you can get rid of the IRS is to reduce government to the point where no income tax is necessary — which would make the IRS unnecessary.

So long as we have an income tax, we will have an IRS. And so long as we have an IRS, we will have bureaucrats abusing taxpayers.

Only one developed country has both an income tax and a gentle tax-collecting agency. In Switzerland, tax evasion isn't a crime; it's a civil matter between the taxpayer and the government.

The taxpayer submits his return. If the government doesn't agree with the self-assessment, it has no authority to seize property or attach wages; its only recourse is to negotiate the matter with the taxpayer. If no agreement is reached, the government can take the taxpayer to civil court (not a tax court, as in the U.S.), suing him in the same way one person sues another over a dispute.

If the government wins in court, the court will direct the taxpayer to pay the government the required amount. If the taxpayer doesn't comply, he will be in contempt of court and subject to criminal sanctions, asset seizure, and other types of judicial actions. But this is possible only after he's had his day in court. And the burden of proof is always on the government.

(Although tax evasion isn't a crime, it *is* illegal in Switzerland to falsify documents — invoices or other records — in order to justify a lower tax bill.)

The toothless Swiss tax-collection agency isn't able to collect as much money as an IRS-like agency can. So the Swiss government has always had to get by with smaller revenues than American politicians are used to. And because American politicians *are* hooked on big government, there's no chance such a system will be adopted here.

And so the IRS we will have with us always — or at least until we can elect libertarians who will reduce government enough to make the income tax unnecessary.

Thus, as libertarians, we achieve nothing by working for anything less than the total repeal of the income tax and a massive reduction in the size of the federal government. Anything else is just wheel-spinning. —HB

The keyword is "incompetence" — It would be difficult to declare with authority that any one fact

or development in the campaign finance scandal is the most striking or surprising. But certainly among the more striking developments is what might be called the White House's "incompetence defense."

After the White House released videotape of the early moments of some 44 White House "coffees" that might have been fundraising events, President Clinton begged for understanding. The fact that congressional investigators had an inkling that these tapes existed and had asked for them long ago shouldn't be held against the poor dears at the White House. The delay "was just an accident." White House staffers hadn't figured out the right keyword in querying the computer system.

It is refreshing when people in government admit they are not perfect. And an admission of incompetence is potentially less damaging than a deliberate cover-up or willful delay, which is what some Republicans are now charging.

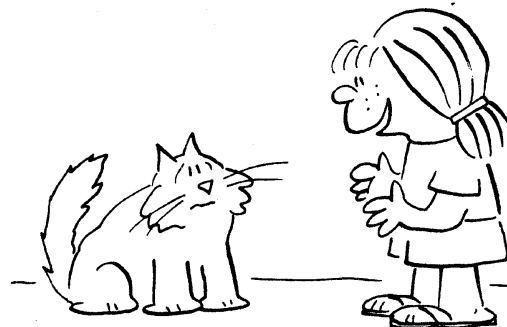
Let's be fair here. The White House — sprawling through numerous good-sized office buildings — more closely resembles an empire than a cottage industry. No president has ever known *everything* that went on in his name. The executive branch is probably impossible to manage effectively. So it is not utterly incredible to imagine that plenty of things have gone on in the White House of which Bill Clinton knows little or nothing.

On the other hand, responding to subpoenas by searching for documents and other material is not all that challenging. And Mr. Clinton is known as something of a micro-manager, taking a particularly intensive interest in campaign matters (his real area of expertise), right down to writing or editing the copy for radio ads.

On balance, then, the plea that you can't blame us because after almost five years in office we just don't have a handle on how to run the little piece of government over which we have direct control is rather pathetic. The fact that it can be made so casually reflects on the status of personal responsibility in the larger culture.

If this bunch can't even run their own shop competently, how are we supposed to believe that they can fix day care, reform the educational system, improve health care, get us to stop smoking while still paying tobacco taxes, fix the drug crisis, assure food quality overseas or . . . well just about anything on their agenda of lots of little government? —AB

I, needle — William S. Burroughs, Beat novelist and exterminator, will not rest in peace, not if there's a God. He was (1) an uxoricide who killed his wife in a game of



"Come on — I need a volunteer to help me practice shaving my legs."

William Tell; (2) a terrible father whose pathetic son predeceased dear old dad; and (3) a child molester. But only cads like William F. Buckley, Jr., speak ill of the dead, so let's remember Bill at his best, as a right-wing anarchist crank. *The Letters of William S. Burroughs 1945-1959* (Oliver Harris, editor) contain this 1949 gem to Allen Ginsberg:

Dear Allen:

I fear this is going to be a somewhat testy letter. I am not able to share your enthusiasm for the deplorable conditions which now obtain in the U.S. at this time. I think the U.S. is heading in the direction of Socialistic police state similar to England, and not too different from Russia. I congratulate myself on my timely withdrawal. Everything I hear from the U.S. makes me glad I am not there. At least Mexico is no obscenity "Welfare" State, and the more I see of this country the better I like it. It is really possible to relax here where nobody tries to mind your business for you, and a man can walk the streets without being molested by some insolent cop swollen with the unwarranted authority bestowed upon him by our stupid and hysterical law-making bodies. Here a cop is on the level of a street-car conductor. He knows his place and stays there.

I hope you are not serious about this labor leader idea. My opinion of labor leaders and unions is very close to the views so ably and vigorously expressed by Westbrook Pegler, the only columnist, in my opinion, who possesses a grain of integrity.

Who knows . . . if Burroughs had laid off the junk, he might have been another Leonard Read. —BK

The politic philosopher — Sir Isaiah Berlin died on November 6, 1997, at age 88. He made his mark on philosophy in much the same way as Ronald Coase did in economics: with cautious, carefully wrought works — works of minor length but major significance. I am thinking of "Equality," "Does Political Theory Still Exist?" and a handful of other sensible, readable, yet brilliant essays that made political philosophy respectable again, after Berlin's

colleagues had thrown it to the wind in their attempt to separate "scientific" wheat from "metaphysical" chaff.

Berlin's project rubbed against the grain of his age, without ever seeming to oppose it wholesale. During the time when his reputation was greatest, the British vision of philosophy was that of a very stripped-down discipline that could play the role of gentleman's gentleman to science. Philosophy, to him, was much more than the clarification of the methods of inquiry. In his writings there was always a sense of the paramount worth of individuals, as well as a sense of history — two things that British philosophy of that time tended to lack.

This is probably best demonstrated by his most famous essay, "The Hedgehog and the Fox," a study of the mind of Leo Tolstoy. Berlin recalled an ancient Greek fragment — "the fox knows many things, but the hedgehog knows one big thing" — and applied it to human styles of thought. "Foxes" are people who deal with particulars, have diverse goals, and see the world piece by piece; "hedgehogs" are system builders for whom no idea can remain separate for long, and for whom everything must exist together or not at all. Tolstoy was a fox who wanted, oh so much, to be a hedgehog, and who tragically twisted his life because of this internal conflict.

The parlor game "hedgehog and fox" is now a favorite of intellectuals, and has even contributed an odd moment to a Woody Allen film. Berlin's interest, however, was not in games but in conflict.

Perhaps that is why he wrote sensible things about freedom — metaphysical freedom ("free will") as well as personal and political freedom. Berlin also understood the value of the obvious. Perhaps that is why, at a time when socialism was in ascendance, he steered clear of the idiocies of collectivism. He knew the value of an ideal, but tried to have no illusions about ideals that diverged greatly from our experience of ourselves, our neighbors, and our history.

Much has been written of the seminal essay "Two

Concepts of Liberty," in which Berlin distinguishes "negative liberty" — the freedom to be left alone — from "positive liberty," the power to do particular things that one wants to do. I see no reason to add to this literature here. I merely note that though he resisted the libertarian notion of organizing all of politics around the single idea of "freedom from" coercion, his influence on libertarian thought has been considerable.

His mark upon England has been stronger, however. He was a diplomat as well as a multi-disciplinary Oxford don, and tales of his formidable presence are many and amusing. His reputation in philosophical circles may be rather low, at the moment, but his writings have enduring value for anyone who is serious about developing a humane philosophy, anyone who prizes individuality and tolerance, anyone who yearns both for freedom and for truth.

—Timothy Virkkala

Top Ten Cool Things About Being in Women's Prison at Christmastime

10. Buying special holiday commissary items from Desert Storm surplus.
9. Not having to worry about what you'll wear to the Kwanzaa Celebration or Christmas Day Bingo.
8. Getting to see the disappointment when Federal Prisons' Industries doesn't get Most-Favored Nation trading status under their tree.
7. Listening to caroling Boy Scouts and disabled veterans from the Milken Suite.
6. Not having to watch football or to get Uncle Frank another beer.
5. Don't have to send phony thank you notes for the gifts of lousy fruitcakes.
4. Having a damned good excuse for not responding to IRS notices and all the year-end direct mail fundraising.
3. Can just exchange uniforms for a larger size at laundry after holiday overeating.
2. Our cooks can make textured vegetable protein look like stuffed Rock Cornish Game hens and strawberry cheesecake.
1. Jim Guy Tucker and Jim MacDougal can't come here unless they get sex change operations.

—Dyanne Petersen

Explanation

The Crash of '97

by Richard Stroup

For a single day, 1997 looked like 1929 all over again. Was the "meltdown" a mere blip — or a hint of things to come?

On Monday, October 27, the Dow Jones Industrial Average fell 554.24. It was its biggest one-day decline in history. Late that night, CNBC reported prices on foreign stock markets that opened as the sun came up in the eastern hemisphere: New Zealand down 11%, Australia down 10%,

Hong Kong down 16%, Taiwan off 6%, Singapore down 6%, Tokyo off 4%, Korea down 7%, India down 8% . . . As the world spun through space and morning came to Europe the grim news continued: Great Britain down 8%, Germany down 5%, Belgium down 8% . . . The Latin American markets opened: Mexico down 13%, Brazil down 15%, Venezuela down 12% . . .

CNBC's normally optimistic reporters were using words like "meltdown," "collapse," "bloodbath," and "crash." Around the world, investors wondered whether they were about to see the stock market crash as it did in 1929 — and whether the world was on the brink of another Great Depression.

The world held its breath awaiting the opening of U.S. stock markets. At 9:30, the opening bell rang at the New York Stock Exchange, and stock prices fell like a rock. Within minutes, the DJI was down 180 points.

But then buy orders began to flood the exchange. By the time the NYSE closed, the DJI was up 337 points. Plainly, no 1929-style stock market crash was underway. Investors heaved a collective sigh of relief.

Even so, many investors remain

worried that a 1929-style crash, lasting for years on end, might be near. After all, there has been what one key observer has labeled "irrational exuberance" in the market in recent months. Can the unprecedented high level of stock prices, such as the Dow at near 8000, be sustained? Can it be, over time, substantially increased? To this economist, the answer is "yes!" The real economy — the future fruits of which can be obtained by purchasing shares in the stock market — looks very healthy. Further, there is still room for much improvement, and there is good reason to expect a long-lived stream of such improvements.

It is no secret that computer-related technology is spreading, driving down costs, speeding information, and widening markets. Trade in both goods markets and capital markets, across borders, is becoming easier. The cost of artificial governmental barriers is becoming more obvious every day, and the reputation of the political sector is declining. That has increased economic freedom — that is, more and more, entrepreneurs have freedom yet are accountable for

their results. The climate for production and exchange has improved, an improvement reflected in rising stock prices.

There is reason to expect more improvements in the future. The costs and limits of political control are becoming clear to more people, increasing demands for further expansions in economic freedom. And as James Gwartney and Robert Lawson show in *Economic Freedom of the World 1997*, greater economic freedom is very strongly connected to greater economic growth.

Are improvements along this line nearing their end? Hardly. Economic freedom in much of the world is still low, and government's role in economies everywhere is still very large — far beyond its economic optimum in even relatively free nations, such as the U.S. and Canada. That is why growth is greater where economies are even more free, as Hong Kong has been over recent decades. There is a great deal of room for more improvement, even in the U.S.

The capital market itself, including the stock market, is both an *indicator* of progress and a *cause* of it. It helps

modify politicians' natural tendency to gather ever more power to themselves in order to do favors for their key constituents, expand programs they believe in, or augment personal fortunes. In each jurisdiction, as each policy change becomes known, owners of assets and potential investors react by moving to buy or sell at prices reflecting the newly enhanced or harmed climate for production and exchange. Better communication and more efficient capital markets are constraining government power all over the world,

Can the unprecedented high level of stock prices, such as the Dow at near 8000, be sustained? Can it be, over time, substantially increased? To this economist, the answer is "yes!"

while rewarding productive changes in government — more honest law enforcement and courts, and broader access to both, for example — more quickly than ever before.

One capital market, the bond market, almost instantly punishes any government attempt to rapidly create more currency. This is an effective constraint on inflation. James Carville has said that after he dies, he would like to be reincarnated as the bond market, because it has all the power.

The world market for goods also disciplines the granting of special privilege or protection by governments. Unions and other quasi-monopolists are constrained in their demands for inefficiently high pay and absurdly restrictive work rules by growing competition here and abroad. High pay is not a problem when matched by high productivity, of course. New auto plants (mostly non-union) are being built in the United States rather than in Asia or elsewhere precisely because American "high-wage" labor is often more productive than "low-wage" labor in much of the world. Meanwhile, militant German unions see their potential new Mercedes-Benz, BMW and Volkswagen company jobs migrate to other nations.

The constructive impact of capital markets on governments is a reason to be optimistic about productivity. But their beneficial impact on government is rather crude compared to their productivity-increasing (and stock-price enhancing) impact on private businesses. Each firm in the private sector receives constant feedback from both the product and the capital markets. The CEO of any publicly traded corporation is almost instantly informed of what investors — people with their own money on the line in capital markets — think of any new strategy or policy change. Such signals can be ignored, if current stockholders are not in revolt, but both the information and the incentive to heed it are strong.

No such signal or incentive faces the "firms" that comprise the units of a government. The Army and the U.S. Forest Service, for example, receive no such constant flow of signals. Over time, capital markets provide rewards and punishments to governments, but it is not easy to discern just what caused those results. Why, exactly, are investors fleeing a country or its assets? Aggregate numbers draw a picture, but with a very broad brush. The value of a company stock, however, reacts to each specific change in a way that can usually be discerned with some precision. These highly effective capital markets are becoming better informed, and work better, increasing private productivity everywhere.

Given these encouraging factors, should stockholders assume rapid growth, say 20 or 25 percent annually, for the foreseeable future? Not quite, in my judgment. Such growth in expected profits on a sustained basis for decades would be nearly an order of magnitude greater than real economic growth has been here and in other successful market economies. Optimism about higher growth for several decades seems warranted. But to bet on sustained 20% growth seems foolish to me.

Is another stock market crash likely? Sure it is! Many investors try to outguess temporary price rises and price declines. In doing so, they can build "irrational exuberance" on the one hand, or promote precipitous declines. Both tendencies, in each short run, may be increased by "program trading" — computer-controlled trad-

ing that pays no attention whatever to underlying future value of real output that, over time, will determine the value of holding stock shares. So there will be many ups and downs, and some will be dramatic. But they should be short-lived.

Over time, the central tendency of stock prices should be determined by expectations about the future dividends paid to holders of each stock share and the sustainable trend in those dividends and in their resulting capitalized value. Those latter factors make a *long lasting* stock market crash very unlikely. A crash is just the right time to buy stocks if market forces and the underlying economy continue to be strong. And a boom in the market is a chance to lock in gains by selling. So stock values will gyrate, but each should gravitate toward the capitalized value of the underlying (and generally rising) dividend streams received by the stock's owner.

There is, however, at least one fly in this ointment: Progress always harms some parties and entails some risks. As Schumpeter told us, capitalism causes a "gale of creative destruction."

Better communication and more efficient capital markets are constraining government power all over the world, while rewarding productive changes in government.

Advances in trade and technologies always harm some producers, at least in the short run. Henry Ford's Model T, for example, ruined many auto fortunes and put thousands of workers out of jobs, even as it enabled working-class families to own cars. Technological advances frequently bring new personal or environmental risks, although for centuries they have on balance made us much richer and safer.

There are always the Pat Buchanans and the Richard Gephardts (on trade) and the Al Gores (on the environment) to argue that we must control or stop such progress to prevent the inevitable harms or risks. Such

continued on page 30

Audit

The Intoxication of Murray Sabrin

by Mike Buoncristiano

How did the best libertarian campaign in memory end up as an attempt to elect Democrat Jim McGreevey governor of New Jersey?

I couldn't believe my eyes. I read the short Associated Press article three times. Murray Sabrin's chief political guru was quoted in the Election Day morning story. "Whitman is going to lose. McGreevey is going to win."

"That ought to be worth another point or two for Whitman from Sabrin's shaky following," I thought. The day before Rick Shaftan, his political strategist, told reporters, "Murray's a Republican just like all the Republicans I know. Christie Whitman is a Democrat just like all the other Democrats I know." Those two statements probably increased a vote switch of a couple of points from Sabrin to Whitman. Libertarians know how it works in a very close race. "If I vote for the Libertarian who won't win I will be giving my vote to [fill in the blank, you've heard it before]."

Enter Stage Rear

It was an off year on the national political scene with no real federal activity and only two gubernatorial races. The New Jersey race was sure to attract a lot of attention since it was generally accepted that Christine Todd Whitman was on her way to a possible Presidential or Vice Presidential nomination in 2000.

New Jersey law stipulates that if a candidate for governor raises and spends \$210,000 on his campaign, he can accept matching funds from the state and be included in televised debates. No third party candidate had ever even come close to doing that in the 20 years that the law had been in effect. I thought we could get lots of support from Libertarians around the country if we could raise about half that amount before we asked for their help.

Murray Sabrin was an attractive candidate. His credentials were impressive: he headed the finance department at Ramapo College, hosted his own radio talk show, and was a popular lecturer and speaker. And he had authored a book on how to achieve a tax-free society. And he was willing to

work hard on the race. I felt that he was the best candidate the New Jersey Libertarian Party had ever fielded for the nomination. Of course, I knew the odds of winning the election were slim at best. But it looked like we had a real opportunity to accomplish what no Libertarian candidate had ever before achieved, both in terms of advancing the libertarian agenda and building the LP.

So I enthusiastically embraced Sabrin's candidacy the day he was nominated by the Libertarian Party of New Jersey. I was an early donor to his campaign, and worked for months, volunteering as much as thirty hours a week on the campaign. My company produced the initial campaign material and coordinated the fundraising activity, and I handled public relations aspects of the campaign.

Our efforts paid off. Last-minute contributions poured in from around the country. Dozens of volunteers worked countless hours to record the contributions and make three Xerox copies of every check, deposit ticket, contribution form and the final report, producing over forty-five pounds of documentation which we delivered just minutes before the deadline. The ensuing battle with Election Law Enforcement Commission (ELEC) over its unsuccessful attempt to disqualify us on a technicality was won through excellent legal work and an avalanche of media support that my company orchestrated.

We had won the first battle. But the real campaign lay ahead, and we had a lot of work to do if we were to make a good showing. We had no professional staff; we had no suitable headquarters; we had no strategic plan. Exhausted from four weeks of working 16-20 hours a day, we set out to win the second battle — the actual election. The publicity we had already generated, including some very vocal support on key radio talk shows, had resulted in a 9% showing in the polls. I knew it was a long shot, but I figured that with a fairly well-run campaign, an effective message, the right strategy, and a

lot of luck we just might pull off a second win. And even if we failed in the election, we'd still have a major impact, advance our Libertarian program, and build our movement.

I had been recommending to Murray for months that we get a campaign manager who had the ability and time to devote to the campaign. A few days before we filed our papers with the (ELEC), Murray asked me to take charge of the campaign. I did so. I was confident we could get past the few remaining hurdles if we gave it a Herculean effort.

Opening Dialogue

Our initial strategy, something that worked well for us in the fundraising effort, was to position Murray, the limited government candidate, against the two proponents of big, intrusive and expensive government. We declared the Democrat and the Republican to be the same and even labeled them "McWhitman." The press loved it.

Our campaign resources were no match for the McWhitman monster. Both McGreevey and Whitman had millions of dollars, thousands of workers and solid party support. But the polls showed the two leaders very closely matched with percentages in the high thirties and low forties. Considering that Independent voters outnumbered registered Democrats and registered Republicans and that New Jersey statewide elections are frequently loaded with last-minute surprises, I felt that we could get at least 15% of the vote. After all, there was a lot of dissatisfaction with Whitman, and the Democrats had split during the primary and were not solidly behind their candidate. It was also the first time that an alternative candidate would have the opportunity

to debate the major party candidates and receive unparalleled media attention if only for the uniqueness of the situation.

I insisted that our strategy focus on two very important goals. With the Democrats and Republicans outspending us by a huge margin, Murray had to perform very well in the debates. Not only would a lot of voters see the debates, but a good performance would increase news coverage and help make up for our shortage of funds. Secondly, I knew we had to focus on party building. We needed to build a strong support base, increase party membership and recruit some energetic activists. If by some chance we won, a strong base would help us implement the radical libertarian program; if we lost, it would be a foundation for future victories.

The overall objective was, of course, to get as many votes as possible without compromising these two important objectives. To do this we had to find strong support for our message. It would be a very close election and we needed to

build strong support that wouldn't abandon us in the final days to vote for the lesser of two evils.

I set out to build a staff and develop a campaign plan. It was only then that I discovered that the NJLP had not been able to fine-tune its volunteer capabilities and that it also had a scarcity of full time campaign staffers. We brought in some experienced people from out of state. Jackie Bradbury joined us from Virginia on a temporary basis and later came back full time when it became obvious that we couldn't find a local replacement who could handle the job. Norman Rule of Maryland served as volunteer co-ordinator. Enna Wheeler handled scheduling.

We accomplished a lot in a short time. We organized a staff, established an effective headquarters, and implemented a good plan. We planned to fine tune our message, get it out, identify our support and rally it behind us to gather more support and then get the vote to the polls.

Business

But something was wrong. I realized we were spending too much time arguing about strategy and refining our message. We were ignoring the fact that Sabrin's support had been coming from a wide array of people who favored smaller government, less regulation and lower taxes. Murray's political strategist, Rick Shaftan, wanted to focus solely on conservative Republicans. I was convinced this focus would alienate our broader constituency and cost votes — not to mention the effect it would have on getting our message out and building our party. Murray would usually agree with me, but the issue kept coming up, forcing the same debate again.

The campaign was in trouble. The deadly killer of third party campaigns had set in — political intoxication. Murray's advisors were telling him what he wanted to hear: that he could be elected. That made me reflect briefly on a conversation I'd had with Murray one day in which he told me how much he wanted to be governor. "I can serve two terms and then become president of a college."

Campaign strategy discussion began to focus on how Murray was really a conservative Republican who could unseat Whitman. Murray never really said much during these discussions, and at times, oddly

enough, seemed to be a spectator. I knew it was tough on him.

I had counted on Murray to ensure that the Libertarian message would be presented to all who might embrace it and that we would do a good job of party building. I wasn't prepared to see this campaign take on the appearance of a conservative Republican campaign. But I could feel the ground shifting beneath my feet.

The stuff really hit the fan at a hastily convened staff meeting in early October. We had just celebrated the opening of our headquarters and I was busy talking to people from the media who were full of questions for future stories they were planning. I was in and out of the meeting.

Somehow the topic turned to whether we should use our toll-free telephone number in radio and TV commercials. I believed this was critical to our success. We had tested the toll-free number in a one-week ad campaign to raise money to qualify for the debates. The campaign produced some

Learning From Failure

Two specific points:

1. *The relationship between a Libertarian Candidate, the Libertarian Party, and libertarians.*

The Sabrin campaign is typical of how Libertarians sabotage themselves in many ways with these three factions working against each other.

2. *The false hope Libertarians have with at least one campaign each season.*

We in the Party continually fail to learn from the past. We continue to push for membership growth as if it were the only item we need for certain success, yet we have made no inroads in partisan races. Until we address the issue of registration, this will continue to be the case. And the longer we delay in addressing the registration issue the more futile our eventual efforts will be.

—George Reis

some contributions, a few new LP members, and responses from a number of individuals who supported Murray but who didn't join the party. The campaign didn't pay for itself, primarily because the lower, political advertising rates were not in effect yet. But it had demonstrated that promoting our toll-free number would help us raise funds, build the party, and identify people whose support for Murray would need reinforcement in the days just prior to the election, when support for third-party and independent candidates usually weakens. Plus, it provided a good database for future party growth.

Well, I lost the battle. The toll-free number didn't appear in our radio and television advertising. It appeared on our signs way down at the bottom, in small type with the "paid for by" line that nobody reads.

At one point I returned to the meeting to hear Shaftan that he wanted to defeat Whitman, get as many votes as possible for Murray, and bring him back to run again as a conservative Republican in a future election, I blew my stack.

We then had a major argument about public relations. Shaftan and Murray's brother Max were expressing dissatisfaction with the public relations job my company had performed. It seemed pretty plain that my days as campaign manager were numbered. Worse still, I feared that the Sabrin campaign was about to abandon its goals of advancing a libertarian agenda and building the libertarian movement.

Getting the Hook

The next day sealed my fate and determined the campaign's new direction. I fielded a call from an AP reporter who wanted to know why the Sabrin campaign had not made public the names and addresses of its \$300 and under contributors. I pointed out that the election law did not require us to do so. The reporter said that Common Cause was speculating that too many of our contributors were from out of state. I pointed out that there is no legal requirement that we report small contributions, and said that we were protecting our valuable contributor list from our opponents. I added that many of our contributors preferred that we not release the information. The article the next day only mentioned that Libertarians don't want their contributions made public. I didn't like the story and knew I had probably said more than I should have — but I also knew that in a day or so the whole issue would be old news.

I was fired that day. Actually, I was initially informed that I was not to speak to the press anymore and that Shaftan was going to head up the PR effort. Later that day I got a letter from Murray stating he wanted to terminate our agreement for PR as well my campaign management. I was unhappy, but I still wanted his campaign to do well. I told his henchman that I'd be happy to help the campaign on a volunteer basis in whatever role they needed me to play.

I was also somewhat relieved. I was tired of constant arguments, tired of coming to an agreement on something and then

having the agreement reversed. I chuckled when I reminded myself that Yogi Berra was right when he said, "Some people, ya can't teach 'em nothing unless they already know it."

A few days before Election Day, in an interview with Gabe Pressman, Murray answered the same question the same way I had. I just shook my head, knowing that Yogi was right. Yogi

was always right. About playing left field in Yankee Stadium, where the shadows from the stands were a big problem late in the afternoon, he once said that "It gets dark early out there." That's what happened next. It got dark early for the campaign.

Dime's Worth

I am okay with the matching funds. I was glad that Harry Browne did not accept them — sometimes the publicity you get from not taking them is worth more than the money you'd get — but my understanding is that Sabrin would not have gotten into the debates without accepting them.

I was, however, shocked and disappointed when Sabrin issued a press release endorsing Republicans. Just days before this press release, he sent out a fundraising letter *over my name* urging folks to contribute to the cause of spreading the word to New Jersey residents that there's not a dime's worth of difference between the Ds and Rs!!! Either there's a dime's worth of difference or there's not, and if there's not then there is no reason to endorse them!

How is a Libertarian candidate going to campaign in the state in future elections and tell folks that there's no difference between a D and an R?

That's what we base our campaigns on: "don't waste your vote on the other two guys who both want bigger government."

—Jo Jorgensen

Exit Stage Right

Well, Max got his agenda and Shaftan got his. The campaign portrayed Murray as a conservative Republican, and focused on defeating Whitman at all costs. Shaftan's PR efforts produced some embarrassing coverage: he blasted Whitman for having a Spanish language version on her website, of all things.

I had wanted to get Murray to prepare for the debates with some rigorous training with accomplished Libertarian debaters, but he and Shaftan resisted. He did spend some time with Don Gorman, the Libertarian former

state legislator from New Hampshire, who was gracious enough to give him the better part of a weekend. Don's coaching had a very visible positive effect. But Don was the only Libertarian help Murray sought for the debates. He paid the price for his lack of preparation. He faltered on some of the issues both in the debates and in various interviews.

I watched the message become diluted. I watched as Murray tried to be more of a conservative Republican than Whitman. I watched as he endorsed Republican candidates in all but three of New Jersey's State Senate districts.

I cringed at his appeal for the right-to-life vote. The partial birth abortion issue had initially attracted some support for Murray. He should have stuck to his position against that procedure and stressed his opposition to government funding for abortion and support for parental involvement when underage young women seek abortion.

The final weeks of the campaign brought a further fragmentation of Sabrin's message. He jumped from issue to issue trying to find the key to taking enough votes from Republican Whitman to elect Democrat McGreevey. His radio and TV spots were almost all Whitman attack ads.

His support shrank as the election approached. Right-to-

lifers, whose support he had gained by alienating the votes of others — fed up with big government and high taxes — abandoned him. But making opposition to *all* abortions a major focus proved to be a mistake. A news report shortly after the election pointed out that Whitman received a healthy plurality from strongly pro-life Morris County, and pointed out that disenchanted right-to-life voters had come through for Whitman after a “dalliance” with Murray Sabrin. CNN reported that its exit poll asked voters which of a half dozen issues were important to them in making a decision. Only 3% said abortion.

Sabrin managed to narrow Whitman’s margin and may have sealed her fate by dashing her hopes for a spot on the national ticket in 2000. But so what?

The purpose of the Libertarian Party is not to teach Republicans to be better Republicans, but to show American voters there is a better way to run our country, a way based on voluntary and cooperative interaction rather than coercion. This is a message with increasingly broad appeal.

When the votes were counted, Murray got 4.7% of the vote — less than half what he was showing before he abandoned his libertarian agenda.

Despite its disappointing vote total, the Sabrin campaign had some very positive effects. Party members were stimulated by the campaign and answered the call to arms. The Libertarian Party is alive and well in New Jersey. From late August through early November the L word was everywhere. People will continue to talk about the Libertarians. For a brief moment, we vaulted over the hurdle of political irrelevance.

But we Libertarians could have accomplished much more: we could have advanced our agenda and helped build a foundation for further growth — and for eventual victories.

The campaign was an education. We learned that the textbooks are right. They tell you to develop your message, identify your support, and get it to the polls. The tenets of grassroots politics tell you to build your organization, motivate your followers, and consolidate your support. Libertarians cannot depend on negative campaign ads to win elections or build their party. It doesn’t take a genius to know that Libertarians can’t win elections or build a party appealing only to conservative Republicans.

We learned that the polls are right. Libertarians tend to draw almost equally from Democratic and Republican “leaners.” The exit polls showed that Sabrin pulled no more than 3% of registered Democrats and Republicans but pulled as much as 12% of Independent voters who would have otherwise voted almost equally for the two major party candidates.

Murray Sabrin is worthy of our gratitude. He made a great personal sacrifice. I wish he had done more to appeal to a broader audience and had honored his earlier commitment to party building. He received bad advice but he was the one responsible for carefully weighing his options and approving the final plan.

Will Murray Sabrin run in the future as a Republican? If he does, I won’t be involved. I’m more interested in people who want to create long-lasting change than those who might just want to be governor. □

Just Say “No” to Matching Funds

This summer, Murray Sabrin solicited Libertarians nationwide to contribute to his campaign. His staff reported that if he could raise some \$210,000 by August 31, the state would have no choice but to allow him entry into the televised debates.

What Dr. Sabrin’s campaign failed to note in some of these solicitations was that raising that sum would also qualify Dr. Sabrin for state “matching funds”; that he would be required to accept those funds in order to be allowed into the debate; and that he fully intended to accept them.

The arguments against Libertarians — members of the Party of Principle — accepting such looted tax moneys have been repeated often enough to grow tedious. Briefly:

1) All taxation is theft. Accepting such subsidies is immoral.

Yes, I know, we all drive on roads paved with tax moneys looted from our neighbors against their will. But this does not excuse us in the cases where a free choice remains. We would not much sympathize with the German of 1943 who reasoned: “I ride the Nazi-run trains. I use the Nazi-run Post Office. So what the heck, I might as well take that new job as a concentration camp guard; it’s all the same.”

2) Libertarians offer a true alternative to the existing, corrupt, collectivist parties only so long as we maintain our principles. Demonstrate that we will compromise them the first time someone dangles a prize on a stick, and we have nothing left to offer but some minor nuances of policy shading . . . hardly the single candle of rigorous truth in the otherwise all-corrupting darkness.

3) But most important is what accepting a government benefice does to the recipient.

How many of today’s Medicare or Social Security welfare recipients would vote to end those programs tomorrow? They can’t afford to entertain arguments that their own “contributions” were “borrowed” and spent by the kleptocrats decades ago, that even if we do assume there was money in their “accounts” upon retirement, simple arithmetic reveals it’s all paid back to them (including interest accrued) within two or three years of retirement, due to low standard “contribution” rates back in the 40s and 50s, whereupon these affluent oldsters shift over to receiving funds directly looted and transferred from the paychecks of their own struggling grandchildren.

By now, though, their budgets are built around these crutches; the old-timers can no more contemplate going cold turkey than can any heroin junkie.

A Libertarian Party with its coffers swelled with looted tax funds will require full-time, highly paid executive directors to supervise the endless, detailed accounting required — busily sending in the names and addresses of all contributors, to facilitate their later arrest when circumstances require. Those new party bureaucrats will attend expense-paid seminars, put on in posh hotels by the various election commissions, teaching them how to apply for further subsidies to publish larger party newsletters with lovely color photos. Thus are the wild pigs gradually taught to enter the gated pen in search of the easy pickings.

—Vin Suprynowicz

Of Rednecks and Caryatids

by Pierre Lemieux

Must epicures be servile? Must rednecks be gauche?

An American *Reader's Digest* editor posted in Paris once reflected to me that there are few distinct civilizations in the West. One, he said, is America; another is France.

Any American who knows France will understand. France is the country of civilized relations, moral tolerance, formal beauty, sensuousness — the good life.

France

Food, from the simplest to the most sophisticated, somehow tastes better in France than anywhere else, and there is nothing like a three-hour dinner in a Paris restaurant, capped with a Havana. Interpersonal relations assume a wide variety and richness of forms. Words and stances convey subtle meanings. Youngsters are polite. Living passionately is recognized as an art: as the song says, you live "*les aiguilles dans le rouge*," i.e., as if your tachometer's needle were always in the red. Motorists drive fast but religiously yield on the right. If you comply with civilized expectations, you always know what to expect.

Women are independent and self-conscious, but seductive, tender, playful. Girls learn their power over men early, how to use it, and how to say Yes or No gracefully. Clean flirting is rampant. In summer months, millions of bare-breasted, and sometimes nude, women invade public beaches.

Even caryatids on public buildings or park fountains are so sexy that you are tempted to jump them. A Canadian girl living in France once remarked that hotel rooms are designed not for sleep but for love.

Ideas, debates, and dissent are everywhere present. This is the country of Charles Baudelaire and Benjamin Constant.

America

I spent the Christmas holidays of 1995 with my youngest son, hiking and hunting in the hills of North Carolina near the Tennessee border. Our cabin had no electricity and not much to do with modern America, its wealth and modern conveniences.

But the cabin did convey some idea of the American tradition. This is rugged country, with hard-working, self-reliant, and trustworthy people. Nobody locks his car. People trust their local sheriff, up to a line in the sand that is visible to anybody. Many illegally carry handguns in their cars, and everybody knows that the sheriff knows but won't interfere. A grandmother lent me her Python .357 Magnum. I had obtained a hunting

license by mail, merely by declaring that I had held one before. We drove on private roads, my son with a loaded shotgun on his knees, and visited our hosts with handguns on our belts. We bought ammunition at the grocery store.

We felt we were in the hills Thoreau had described, where "the State was nowhere to be seen." In the woods, we met a redneck who, harassed by some environmental regulation pertaining to a river on his farm, had told the feds, "Take your damned water off my land." On the way back, we visited my friend Alan Kors in a Philadelphia suburb. Alan and I were photographed together, proclaiming "Long live liberty, long live Spooner, down with tyranny!" We might even have said, "Down with the state!" After all, this is America, the country of Thomas Jefferson and Lysander Spooner.

France and America, of course, do not exist as such. These collective words are only shorthand to describe patterns of human relations and complexes of meanings. Sometimes, they are used to identify state apparatuses that rule over the territories marked

"France" or "America" on maps — an unfortunate usage that, for some reason, is at least as prevalent in English as in French. In the individualist sense in which I use these concepts, France and America extend beyond the borders that states draw on maps with their hostages' blood; they represent cultures: configurations of values, ways of life, and meanings shared by

Everybody illegally carries a handgun in his car, and knows that the sheriff knows but won't interfere. A grandmother lent me her Python .357 Magnum.

individuals. You are French if you enjoy formal beauty and celebrate *joie de vivre*; you are American if you stand up for rugged individualism and self-reliance. True, it is individuals who have cultures and not the other way around, so one can participate in many cultures. But our ideal types help formulate an important question: Can we enjoy the advantages of both France and America?

Counter-Realities

Now, America is also more (or less) than the characterization given above. Starting with the Civil War, and accelerating with the onset of the 20th century, Americans have come to define themselves in terms of citizenship, to depend more and more upon the state, and to cave in before anything that bears the name of law. A few years after the end of the Civil War, George Ticknor of Harvard wrote: "It does not seem to me as if I were living in the country in which I was born, or in which I received whatever I got of political education and principles."

Poor George! Although he did fear "what is likely to happen hereafter," he could not imagine what America would be like today. For many Americans, self-reliance has been replaced by squabbles over government handouts, subsidies, and favors. Personal responsibility means obeying the cops. Although Americans may not yet fill out forms as readily as other

people, their identity is now defined by the Social Security numbering system and official documents like driver's licenses. Pressure-group politics and crooked political mores have infected private relations. A growing underclass idealizes violence and lives on welfare. A myriad of regulations has eviscerated the individual rights guaranteed by the Constitution. Powerful administrative and police agencies crisscross the land. America is also gun controls, Waco and Ruby Ridge, the drug war and civil forfeitures, witch-hunts against insider traders, and parents arrested for taking nude pictures of their children.

A new Puritanism thrives. My North Carolina refuge was in a dry county, but this strange anachronism is nothing compared with BATF control of alcohol marketing, with the war waged on tobacco by government scientists, with Janet Reno's opposition to drug liberalization in California and Arizona, with politically correct sexual behavior, and with the new Comstockery against erotic representations involving young-looking people. The state is everywhere to be seen. In deference to reality, Emma Lazarus's inscription on the Statue of Liberty should now read:

Give me your tired, your poor, your
huddled masses

Yearning for public education, public
health care, and government
checks.

I lift my lamp beside the quiet tyranny.

France, on the other hand, is the land of Colbert (Louis XIV's finance minister), with a wide net of detailed regulations, prior controls, and confiscatory taxation. It is an imperial republic with well-insulated politicians and bureaucrats who wield wide police powers. The French have gotten used to relying on the state for everything. What economists call "rent-seeking" has reached high plateaus: every organized group can obtain privileges from the state if it can marshal enough street power, while the populace naively applauds. Proud of his free spirit, the individual is often nothing but a *bon-vivant* ward of the Republic, which keeps him quiet and contented with his wine, cheese, and Folies Bergères.

There are many indications that

France is not what it used, or promised, to be. Manners are deteriorating. Large and decrepit public housing projects harbor youth gangs that don't make for better company than their American counterparts. An article in *Le Monde* recently reported the case of a woman cop who, returning home one night, was attacked by a youth gang on a suburb train, and forced to submit to such degrading abuses that she hid for two days after. Political scandals are on the rise, not because public mores are becoming more ethical, but because politicians and bureaucrats use suspicions of corruption as weapons to advance their careers or harm the careers of their competitors. Even political correctness, the antithesis of the French character, has made inroads in France. Laws against sexual harassment and regulations against smoking have recently appeared on the books.

Incompatible Cultures?

Québec is an interesting case. One might hope that, mixing both cultures, French Canadians would inherit the

France is characterized by moral tolerance, formal beauty, politeness, and joie de vivre; while America is blemished by self-righteousness, political correctness, vulgarity, and dullness in everyday life.

French attachment to formal beauty, tolerance and *joie de vivre*, as well as the American commitment to self-reliance, rugged individualism, and the spirit of individual liberty. And Quebecers have shared some frontier values, exemplified by the spirit of the *coureur des bois* (runner of the forest) — the 18th century farmer who took to the woods each winter to trade furs with the Indians. Large families with hard-working fathers and strong mothers were the rule. Thirty years ago, Quebecers were still free of public health insurance, social security numbers, significant firearm regulations, government control of schools (although the more or less official

Church filled part of the void), and powerful bureaucracies (in peacetime, at least). The typical Quebecer was probably as sentimentally attached to individual liberty as the average American.

Some of the French spirit is also visible in Québec. Stupid laws are not as strictly enforced in Québec as in the U.S. or in the rest of Canada. This is especially apparent with daily pleasures and innocent vices. For example, there is some doubt as to whether a ban on smoking in restaurants could be enforced here. Some large firms flout smoking regulations as a matter of routine.

Or consider matters relating to sex. Although Québec is not exactly France, it has not yet fallen into U.S.-style, statist Puritanism as blindly as English Canada. In Québec, you can still have nude pictures developed at a chain drug store without fearing that somebody will call the cops. Actually, if the pictures are spicy enough, the technician will probably make a second set of prints for his personal enjoyment.

Quebeckers tend to laugh at political correctness. Recently, when asked how things are going, I have gotten into the habit of answering, "Except for sex, money, and my e-mail software, everything is A-1." The typical reaction is exemplified by the oldish woman who owns my favorite convenience store: she burst out laughing, and replied, "Well, Monsieur Lemieux, if that's the only thing wrong, there is no problem." Or take the woman librarian on whom I tried my line. Thinking I was flirting, she quipped back: "As far as money is concerned, I have no solution, but the sex issue could be easily dealt with." A girl student standing nearby was biting her lips (I mean, of course, her smiling lips), trying not to burst out laughing.

Yet, the statist establishment has succeeded in imposing some political correctness with new laws and regulations (against "sexual harassment," for example). Even if their enforcement is nothing compared with the U.S. or

English Canada, the trend does not bode well.

Parallel to this insidious demise of French culture, the welfare state has grown so much in both Québec and English Canada that self-reliance is probably considered by most people as a contradiction in terms. The pessimis-

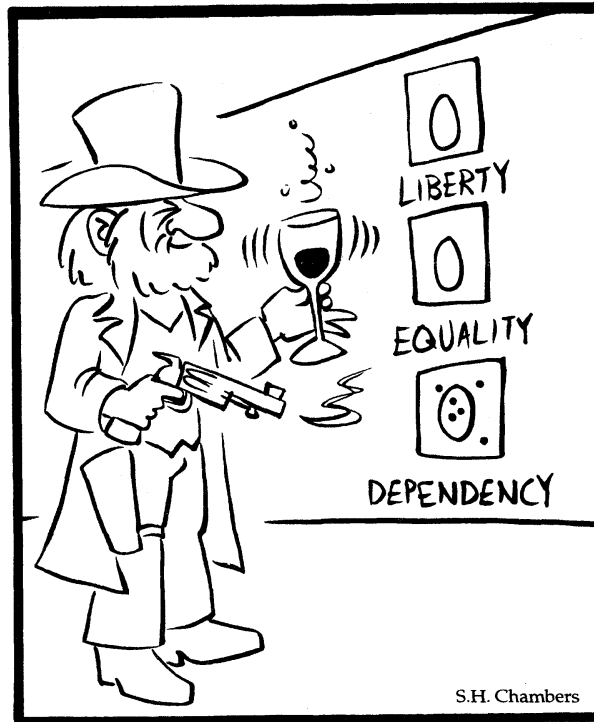
poetic TV programs, and take four-course meals with Bordeaux wine. In America, you bump into frustrated teenagers who get dead drunk at the first opportunity, fat people who roam non-smoking shopping malls, and barbarians who drink water while gulping dinner in half an hour. *Berk!*

One wonders: did the attractive features of French civilization develop because society was tightly regulated by the state, or in spite of it? And did the ugly features of American culture develop because free and self-reliant individuals must end up as rednecks and bigots?

Indeed, contemporary French sociologist Jean-William Lapierre has attempted to justify the activist state along these lines. Liberty, he points out, requires that individuals generally obey certain spontaneous rules of conduct. Now, so the argument goes, individuals cannot voluntarily adhere to such rules without also submitting blindly to all kinds of social conventions — that is, without becoming guilt-ridden rule-followers: conservative, dull, and dumb.

Thus, a modern, tolerant, innovative, artistic, fun society is inconsistent with the spontaneous order. The state is necessary to liberate individual initiative and diversity from the tyranny of social conventions. Lapierre has developed this argument by comparing primitive societies with and without states. Anarchy, he argues, is inconceivable without such strong social controls that diversity and innovation are impossible — and diffuse oppression by the tribe or the village is more intrusive than coercion by formal, well-circumscribed political processes.

Thus, the state was necessary for the development of individual autonomy. Lapierre applies this line of reasoning in comparing the minimal state with anarchy, and also in contrasting the the modern administrative state with the minimal state. By "administrative state," he means a Tocquevillian political power which, though limited, is conceived of as soci-



tic scenario is that Quebecers will end up as collectivist rednecks — the worst of all worlds.

An Argument for the State

Let's go back to our two polar (and simplified) models, France and America. On one side, you have a strong administrative state that passed unchanged from the Old Regime to post-1789 society, and abated for only a few decades in the 19th and early 20th centuries. On the other side, you have the modern ideal of individual liberty that gave rise to America, the least statist society in the history of civilization.

Yet France is characterized by moral tolerance, formal beauty, politeness, and *joie de vivre*; while America is blemished by self-righteousness, political correctness, vulgarity, and dullness in everyday life. In France, you meet sophisticated individuals who have early morning drinks in bistros, watch

ety's board of directors and is capable of regulating the whole complex of social relations. The ideal administrative state, he argues, remains formal and circumscribed, and allows more liberty than either anarchy or the minimal state.

If Lapierre is right, it is precisely the absence of a strong state that explains the tyranny of public opinion

Food somehow tastes better in France than anywhere else, and there is nothing like a three-hour dinner in a Paris restaurant, capped with a Havana.

and the poverty of culture that Tocqueville observed in 19th-century America — a condition in marked contrast with the diversity and brilliance of European societies. His theory would also explain why France is freer than it appears at first glance, and why America is more oppressive than it superficially seems.

Do America's voluntarily enforced mores and moral rules also allow for the development of a French level of culture? Can people who are, and must be, rednecks when it comes to defending their rights, simultaneously be intellectually curious, artistically minded, and morally tolerant? Can American rednecks simultaneously be French aesthetes? To all these questions, the theory of the autonomy-promoting state answers No.

The Moralistic State

Lapierre's argument for the state has a certain charm, but I don't find it convincing. Consider the transition from primitive stateless societies to state-administered societies. The historical fact that civilization developed in the latter, and that the former were selected out by social evolution, does not prove that the only two alternatives are barbarism and the state. The problem might just be that the state appeared before market-based societies had time to develop. We now understand how markets, decentralization, diversity, and entrepreneurship keep a

spontaneous order from becoming rigidly rule-bound. Given a chance, anarchy-cum-markets could conceivably have fostered individual development much better than the state.

Now, suppose that even a market-based anarchic society would turn out to be hopelessly rule-bound and conservative (of course, we can't know this until we try). In a market context, a Nozickian minimal state would then be expected to emerge and combine the advantages of anarchy with the benefits of formalized rules protecting individual autonomy and social diversity. If Lapierre is right that anarchic societies are necessarily rule-bound and oppressive, the minimal state would seem sufficient to maintain a general context of market relations, individual experimentation, and autonomy. What can a more powerful state do better?

The theory that individual autonomy increases with state power could be true only up to a point. At some point, government power starts compounding, instead of alleviating, the uniformizing tendencies of social rules and norms. Could this optimal point be the administrative state?

All we know about political power suggests a negative answer. Political power cannot aim at administering the whole society and regulating individual lives without reinforcing social uniformity along some dimension. The administrative state is bound to become a Moralistic State. This conclusion is supported historically by a generally negative correlation between the extent of state power on the one hand, and economic entrepreneurship and social diversity, on the other hand. It is reinforced by the tragic experience of Leninist states.

Once a certain threshold of state power is reached, it actually strengthens social pressures furthering state control. In authoritarian states, brainwashed individuals rat on their neighbors. Even in the U.S., the administrative state has passed this threshold, with corporate whistle-blowers doing the job of the state by wearing FBI-provided tape recorders when they meet with business colleagues.

Ages ago, the Protestant work ethic and Pilgrim honor no doubt fanned the flames of American freedom. But the administrative state also sometimes appears to be a liberating force. During

the 1960s, for example, moral tolerance and openness in sexual matters grew in parallel with mounting state power in other areas. But over the past ten or 15 years the correlation has reversed, and political correctness now goes hand in hand with advancing administrative tyranny. This reversal seems to show that statism is not a causal factor in individual liberation.

It seems more likely that the administrative state actually hampers the ability of French formal beauty to coexist with the American spirit of rugged individualism: according to local and historical circumstances, the Moralistic State will attack one or the other more directly, but in the long run it is the enemy of both. And one must realize that all Western democracies are now administrative states, with the French and American versions differing only by degrees. The first one crushes the American spirit, the second one concentrates its fire on what I have called French culture.

The Hedonist Redneck

Why should we care about all this anyway? Would not a libertarian be happy to live in the North Carolina hills or at Walden Pond? Isn't the absence of physical coercion a sufficient condition

Can people who are, and must be, rednecks when it comes to defending their rights, simultaneously be intellectually curious, artistically minded, and morally tolerant?

for individual liberty and happiness? What makes something like French culture desirable for someone who treasures liberty? I submit that there are two kinds of reasons. The first can be found in the economists' concept of subjective preferences; the second, in the realm of the philosophers' objective good.

There are a certain number of free individuals who want to have both America and France, and would be willing to trade some America for some France. If people who want some French culture must transform North Carolina into Massachusetts, we have lost America. And if one has no place to live but dry Graham county, the good

continued on page 30

Report

Mail from Malawi

by Richard Rieben

What's strange about the fiefdom of Hastings Banda is that there's nothing strange about it.

"Balaka is a small town," the man said.

"There's nothing to see," I replied, half-hoping to be contradicted.

"There's nothing to see," he agreed quite happily, "and there's nothing strange."

I might doubt his grasp of the English language or wonder at this choice of words, but, no, I can't contradict his observation that, like much of the U.S. Midwest, there's nothing strange — just plain folks and plain living. Not a bad thing, is it?

One evening in Balaka I saw the most beautiful sunset I've ever seen. God made the heavens tremble with color and brilliance, and no one bothered to look up. This Malawian indifference affects how the tourists see things, too. Malawi is a beautiful country, but you quickly begin to see things through the eyes of the Malawians — it is not drab, it just *looks* that way because it's unappreciated by the natives themselves. The glories of nature, unsung, sulk unattractively.

As a foreigner, from a culture that does appreciate such things as sunsets, I could stand and gawk. But why bother? With no one to share the experience, I'd just look like a foolish tourist. Because you have to supply

your own cultural ambience and eclipse the native culture (or be totally alone), skywatching didn't interest me nearly as much as observing these not-unhappy people and wondering where all the color went. Colonialism and Hastings Banda's neo-colonial dictatorship took a toll of course, but it's hard to tell if there was any color here to begin with.

The natives of Malawi have been disenfranchised in their own country and their own culture by both corporate colonialism and foreign aid. Malawi's national bus system is owned and operated by a British firm, as is a national chain of modern convenience stores. "Aid" colonialism is everywhere: America seems to have funded and constructed half of Malawi's roads, Germany the other half. These are displaced people — out of control of their destiny, dispiritedly following alien paths, taken care of, directed . . . really not unlike the clients of a Western welfare state or captives on a slave plantation.

The Indians in Malawi have been pushed into the few big cities, but no one bothers to fill their abandoned countryside businesses (why do all that work when there are so many handouts?). It's a mess, one that serves the interest of the foreign

power brokers — governments, "non-governmental organizations" (NGOs), corporations, and missions — and their local government functionaries, who sustain the mess. The people aren't dumb. They see what's going on. "Whoever pays the piper calls the tunes," one schoolteacher told me. The aid keeps pouring in, and to reclaim their integrity, dignity, independence, or sovereignty, they would have to reject the aid, kick out the NGO's and foreign missions and corporations. It would seem so, well, ungrateful, you know?

Most aidworkers are unaware of their counter-productive role in Africa. All the aid and other "help" does is keep the locals impoverished and backward — which seems to be in the interest of the West (as it always has been).

I've been reading Andrew Buckock's *Fishing in Africa: A Guide to War and Corruption*. Commenting on a United Nations High Commission for Refugees (UNHCR) free-food program in Africa, he wrote:

It was at this time that Arthur and I started thinking about putting an 'AID KILLS' sticker in the back window of the car. Here, yet again, foolish philanthropy was leading to a dangerous dependence. Many of

these people should have been preparing their fields for the coming rain season, instead of walking for up to three days to collect free food. . . . Local party officials dominated the committees choosing the recipients, and it seemed stalwart supporters were first in line.

A sticky situation. For them. For us, however, it's just the status quo, manifest destiny, all that crap. I'm no longer so irritated by it. I quite enjoyed Malawi's everyday dullness. It's a place where people live, not one where they live it up or take vacations. I met many travelers here, all of them wondering what to do with themselves and

asking other travelers what to do. Very different from most countries, where the travelers congregate to discuss all the interesting things they've been seeing and doing.

Malawi is the kind of place natives with brains can't wait to leave, where missionaries preach religion to a multitude that is too unimaginative to sin. These are a profoundly not-unhappy people, leading colorless lives, lacking any style or flair, except for a rare and golden laughter that takes one quite by surprise. I picture Dorothy and Toto wishing they were back in Malawi.

You know all that used clothing you give away to charities in Europe

and America and they say they're going to send it to the poor in Africa? Well, it's here! All over Africa, Kenya, Malawi, Zimbabwe. You find it in the markets and on the streets — for sale, of course! Local clothing stores in parts of Zimbabwe have had to shut their doors because of the bundles of cheap, used clothing being sold on the sidewalks. It wouldn't help if you personally gave that clothing to people who *need* it; they would still turn around and sell it. Charity is a ridiculous, crippling, pride-destroying thing that will never work anyway.

Give them their dignity. Sell them the clothes. □

Stroup, "The Coming Stock Market Crashes," *continued from page 18*

arguments, to borrow from Edward Banfield, are "the moral basis of a backward society." Policies like these, widely adopted, could slow progress needlessly, or even stop it in its tracks. They could negate all the growth-enhancing factors that currently favor a rising economy by reversing the pressures for more economic freedom.

Opponents of economic growth may be able to harness the benefits of

trade to the service of multi-government economic controls. They may seek to form a European Union-style compact among all industrialized nations, using economic sanctions — access to trade — to enforce the edicts of the cartel of governments. They may, for example, outlaw trade with nations who refuse to comply with limits on the use of fossil fuels. If they succeed, then the positive forces listed

above could be smothered by bureaucracies and their special-interest politics. Cartel members, though, are notoriously difficult to police. The more successful a cartel is, the greater the incentives for its members to violate its rules.

Personally, I am betting on markets to triumph, and the stock market to continue broadcasting its encouraging message. □

Lemieux, "Of Caryatids and Rednecks," *continued from page 26*

life is lost.

Some philosophers argue that the development of an individual's full potential is a moral good that transcends individual preferences. And there seems to be something to this. Consider: a culture of self-reliance and the flourishing of vibrant, sophisticated

ways of life are linked; we cannot long maintain one without the other. If rugged individualism and polished individualism cannot survive independently, then the argument for their synthesis must be something more than our fancy. This is the objective dimension that we cannot ignore. This would mean

that there is more to libertarian values than merely a formal argument against physical coercion. A decent society must be committed both to the value of human development and to individual autonomy; to have a free and pleasurable society, we need people who share both commitments. In fine, for liberty, we need both France and America.

Redneck and hedonist libertarians of the world, unite! □

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The Fight for Medical Marijuana

by Paul Armentano

The wheels of reform grind exceedingly slow — and rough.

A year has passed since California and Arizona voters approved the use of marijuana as medicine, a year of continuing legal maneuvering at both the federal and state levels. Here is a brief summary of what has happened.

November 1996

11/05/96: Voters in Arizona and California overwhelmingly approve initiatives endorsing the legal use of marijuana under a doctor's supervision. Proposition 215 in California exempts patients using marijuana medicinally from state criminal charges and also authorizes the cultivation of marijuana for medicinal purposes. Proposition 200 in Arizona states that physicians may prescribe marijuana to seriously ill patients.

11/06/96: Arizona Governor Fife Symington (R) threatens to veto Proposition 200. Symington claims that he has the authority to veto successful ballot initiatives which pass with a simple majority of voters, but without a majority of all voters. John MacDonald, government affairs director for the Arizona Attorney General's office says that a veto by the governor would violate the state's constitution.

11/09/96: The Office of National Drug Control Policy (ONDCP) issues a press release reaffirming the Administration's opposition to passage of the medical marijuana initiatives. "Federal law is unchanged by the passage of these initiatives. . . . The decision to bring appropriate criminal or administrative enforce-

ment action will be . . . decided on a case by case basis."

11/14/96: Drug Czar Barry McCaffrey holds a closed door meeting with California law enforcement officials to discuss the federal response to the passage of Proposition 215. Attendance is restricted to those who oppose the legal use of medical marijuana.

December 1996

12/02/96: Senator Orrin Hatch (R-Utah) calls a special hearing of the Senate Judiciary Committee to denounce the passage the California and Arizona initiatives. Thomas Constantine, Administrator of the Drug Enforcement Administration, testifies that the federal government could "take both administrative and criminal actions against doctors who violate the terms of their DEA drug registrations to prescribe controlled substances." Hatch lambastes the propositions as the work of "pothead doctors . . . [who] want to legalize drugs."

12/09/96: Symington grudgingly signs Proposition 200 into law, but vows not to implement many of its provisions.

12/12/96: McCaffrey and Department of Transportation Secretary Federico Pena hold a joint press conference to announce that medical marijuana users in California and Arizona will not be granted an exemption from federal drug testing laws. A press statement announces: "The law is clear. If you are a safety-sensitive . . . worker and you're caught using drugs, these propositions don't mean a thing. You're out of a job."

12/30/96: The Clinton administration announces its plan to institute criminal prosecution of physicians who prescribe or recommend marijuana in California and Arizona, and to deprive them of their right to write prescriptions of any kind. The plan further recommends that such physicians be excluded from the Medicaid and Medicare programs. The federal plan also authorizes the DEA to "adopt" (take over) prosecution of cases resulting from seizures of marijuana and other Schedule I controlled substances made by state and local law enforcement officials in cases where state and local prosecutors cannot prosecute because of state laws.

January 1997

1/08/97: Citing the passage of Proposition 215, California Superior Court Judge David A. Garcia lifts a five-month injunction on the San Francisco Cannabis Buyers' Club, a 10,000-member organization that distributes marijuana to seriously ill patients. Garcia rules that the club may engage in the not-for-profit cultivation and sale of marijuana for documented medical purposes. "The people of California have spoken," Garcia declares. "I don't think [the California Attorney General] or I are going to say that the people of California were ineffectual."

1/09/97: Responding to public opposition over the Clinton administration's proposal to arrest physicians who recommend or prescribe marijuana, the ONDCP commits nearly one million dollars to fund a comprehensive review by the National Academy of Sciences' (NAS) Institute of Medicine of the existing scientific literature regarding marijuana's medical potential. Many criticize the proposal as a "stalling tactic" and emphasizes that the move fails to authorize any research. The NAS conducted a similar review in 1982 and concluded: "Cannabis and its derivatives have shown promise in the treatment of a variety of disorders."

1/14/97: A group of California physicians and patients file a class action suit in federal court in San Francisco seeking an injunction to prevent federal officials from taking any punitive action against physicians who recommend the medical use of marijuana to their patients in compliance with state law.

1/21/97: Senator Lauch Faircloth (R-N.C.) introduces legislation in Congress (S. 40) to sanction severely

physicians who prescribe or recommend the medical use of marijuana. That same day, Senator Orrin Hatch includes similar provisions in a Republican-backed anti-crime bill (S. 3).

1/22/97: The Massachusetts Department of Health issues regulations to create an affirmative medical defense for patients who use marijuana for a legitimate medical need. The Department also begins developing a blueprint for a state-run medical marijuana research project. Governor William Weld endorses the action and states that he has "no problem" with the use of marijuana as a therapeutic agent.

1/30/97: Dr. Jerome Kassirer, editor of *The New England Journal of Medicine*, opines that the federal policy that prohibits physicians from prescribing marijuana to seriously ill patients is "misguided, heavy-handed, and inhumane." He argues that the federal government should immediately reschedule marijuana to allow for its legal use by prescription.

February 1997

2/14/97: DEA agents question California family practitioner Dr. Robert Mastroianni regarding evidence that he recommended marijuana to three seriously ill patients. The agents warn Mastroianni that he is under formal investigation.

2/20/97: A panel of prominent physicians call for clinical trials to examine marijuana's therapeutic potential in the treatment of AIDS, spasticity disorders, glaucoma, and chronic pain, and the side effects of cancer chemotherapy at the close of a two-day conference organized by the National Institutes of Health (NIH).

Panelists announce that a full report recommending a course of action will be released in four weeks.

2/23/97: Four California medical groups — the San Francisco Medical Society, the California Academy of Physicians, the Gay and Lesbian Medical Association, and the Marin Medical Society

— join the federal medical marijuana lawsuit filed on January 14.

March 1997

3/06/97: A group of physicians, health organizations, and patients file a federal lawsuit in U.S. District Court for the District of Columbia challenging the federal government's refusal to allow physicians to prescribe marijuana in states that permit them to do so. The lawsuit cites state laws in Connecticut, Virginia, and Arizona permitting physicians to prescribe marijuana for patients suffering from serious illnesses. Plaintiffs seek a declaratory judgment that the federal policy prohibiting physicians from recommending or prescribing marijuana in accordance with state law violates the First, Ninth, and Tenth Amendments and the Commerce Clause of the U.S. Constitution.

3/18/97: New guidelines issued by the American Medical Association (AMA) and its California affiliate (CMA) support a physician's right to discuss freely the use of marijuana as a therapeutic agent with his or her patient.

April 1997

4/03/97: Representative Gerald Solomon (R-N.Y.) introduces a companion bill to Senator Faircloth's S. 40 in the House of Representatives. The bill is titled the "Medical Marijuana Prevention Act of 1997."

4/15/97: The Arizona Legislature guts medical marijuana provisions included in Proposition 200 by approving a law mandating that state licensed physicians may only prescribe marijuana after it has been approved by the federal Food and Drug Administration (FDA). Backers of Proposition 200 announce that they will file a referendum to block the Legislature's action.

4/21/97: Federal agents raid Flower Therapy, a medical marijuana buyers' club in San Francisco. Officials confiscate 331 marijuana plants, but leave dried marijuana that was marked for "medicinal purposes." No federal charges are filed and the club re-opens the following day.

4/24/97: San Jose becomes the first city in the United States to pass zoning laws regulating cannabis buyers' clubs.

4/30/97: U.S. District Court Judge



"If they're really for individual choice, why don't they have beer vouchers?"

Fern Smith rules that federal officials may not sanction California doctors who recommend marijuana to their patients in compliance with state law. Plaintiffs' attorney Graham Boyd hails the ruling as a "tremendous victory."

May 1997

5/01/97: Dr. Donald Abrams of the University of California at San Francisco submits a research proposal to NIH to study the short-term effects of smoked marijuana on individuals suffering from AIDS.

5/22/97: The California Medical Association (CMA) publicly endorses state legislation introduced by Sen. John Vasconcellos (D-Santa Clara) to establish a medical marijuana research program at a major California university.

5/27/97: A group of researchers from The Montana Clinic in Missoula submit a research proposal to the NIH regarding the use of marijuana in acute migraine treatment.

June 1997

6/01/97: The Florida Medical Association, one of the largest state medical associations in the nation, passes resolution #97-61 urging state and federal governments to allow legal access to marijuana for medical purposes.

6/03/97: Representative Barney Frank (D-Mass.) introduces H.R. 1782 in Congress to provide for the medicinal use of marijuana in the states. The legislation eliminates the federal restrictions which currently interfere with an individual state's decision to permit the medical use of marijuana, and mandates the federal government to provide marijuana for medical research purposes to all FDA approved scientific protocols.

6/16/97: Nevada state prosecutors drop felony marijuana possession charges against a California cancer patient after the district attorney concedes that the marijuana was purchased in San Francisco and was for medicinal purposes only. Legal analysts claim that this is the first interstate proceeding involving medical marijuana imported from California.

July 1997

7/02/97: The British Medical Association (BMA) overwhelmingly calls for the legalization of marijuana

for medical use at a conference in Scotland.

7/03/97: Drug reform activists in Washington state submit more than 242,000 signatures to the Secretary of State to place the "Drug Medicalization and Prevention Act of 1997" on the November 1997 ballot. Initiative 685 would allow physicians to "recommend" the use of marijuana or any other Schedule I drug to a seriously ill patient. The initiative also calls for substantive criminal justice reforms.

7/17/97: Medical marijuana proponents in Arizona turn in twice the necessary number of signatures to resurrect a Proposition 200 provision allowing doctors to prescribe marijuana to seriously ill patients.

August 1997

8/07/97: In *The New England*

Journal of Medicine, Dr. George Annas of the Boston University School of Medicine demands that seriously ill patients be given immediate legal access to medical marijuana. Annas writes: "Research should go on, and while it does, marijuana should be available to all patients who need it to help them undergo treatment for life-threatening illnesses."

8/08/97: After an almost five month delay, the NIH releases a promised report on the therapeutic potential of marijuana. The NIH report concludes that marijuana "looks promising enough [in the treatment of certain serious illnesses] to recommend that there be new controlled studies done," and urges the federal government to play an active role in facilitating clinical evaluations

34 Curious Facts About Marijuana

compiled by Steve Cason

FACT 1: People who smoke pot don't care about the facts.

FACT 2: People who don't smoke pot don't care about the facts.

FACT 3: An estimated 150 million Americans (nearly 60 percent) have tried marijuana. (Scientific American Medicine).

FACT 4: An estimated 20 million Americans smoke pot regularly. (Substance Abuse and Mental Health Administration).

FACT 5: The president of the United States, Bill Clinton, smoked pot.

FACT 6: But he did not inhale.

FACT 7: My parents would never smoke pot.

FACT 8: It's a waste of time to try and explain to someone who's never smoked pot that simply taking a few tokes now and then won't turn you into a hippie.

FACT 9: The 1960s turned people into hippies.

FACT 10: I have in the past smoked pot with a Republican mayoral candidate, a kid who grew up to be a policeman, a school teacher, a pilot, a girl who's now a doctor, a judge's son, and once, with a guy who wore tie-dyed T-shirts.

FACT 11: Contrary to popular belief, all

people who smoke pot are not hardened criminals who will do anything for a joint.

FACT 12: The last thing in the world a responsible adult high on marijuana wants to do is commit a crime. It's too much hassle. Pot smokers would rather listen to good music and mellow out.

FACT 13: No one uses the term "mellow out" anymore.

FACT 14: All the War on Drugs has done is drive up the price of marijuana. Twenty five years ago, an ounce of marijuana cost \$15. Today, a quarter-ounce costs \$40. Crack on the other hand, you can buy for \$5. I've never smoked crack so I'm not in a position to say whether it's worth it.

FACT 15: People who smoke pot don't do the stupid kinds of things people who smoke crack do. Police will verify this.

FACT 16: Smoking marijuana doesn't make you sick.

FACT 17: You don't throw up if you smoke too much pot.

FACT 18: Marijuana isn't addictive.

FACT 19: Smoking marijuana doesn't make you crazy.

continued on page 35

of medical marijuana. White House spokesman Mike McCurry tells the Associated Press that the administration continues to oppose the use of marijuana to treat sick people despite the NIH findings.

September 1997

9/12/97: The California Legislature fails to act on legislation introduced by Sen. John Vasconcellos to

establish a Medical Marijuana Research Center at a campus of the University of California. Backers of the research proposal included the American Cancer Society, Attorney General Dan Lungren, the California Narcotics Officers Association, the California Medical Association, and the California District Attorney's Office.

9/16/97: Federal officials provide a

\$170,000 grant to Washington state anti-drug coordinators to fund a full, state-wide anti-marijuana effort. Proponents of Initiative 685 immediately file a complaint with the Public Disclosure Commission and state Ethics Board alleging that the federal funds are being used illegally to campaign against the "Drug Medicalization and Prevention Act of 1997." Federal and state laws prohibit

"Open" To Medical Marijuana Research? *One Doctor's Struggle Tells a Different Story*

This August, amidst fanfare generated by a National Institute of Health (NIH) report endorsing medical marijuana research, NIH Director Harold Varmus announced that the agency "is open to receiving research grant applications for studies of the medical efficacy of marijuana. . . . We want to make clear what has always been the case."

Dr. Donald Abrams, a noted AIDS researcher and a professor at the University of California San Francisco School of Medicine, would most likely disagree.

In 1992, Abrams designed a pilot study comparing the effectiveness of inhaled marijuana with that of synthetic THC as a treatment for the weight loss associated with the AIDS wasting syndrome. Abrams quickly secured private funding for the endeavor and later gained approval from the Scientific Advisory Board of the San Francisco Community Consortium, the California Research Advisory Panel, and the FDA to move ahead with the study. Five years later, Abrams is still trying to get his comparative research study off the ground.

"When we first embarked on this, all the medical marijuana advocates were weaving this government conspiracy business, and I just told them, 'God, you are so paranoid!'" Abrams told the *Los Angeles Times* in 1996. "But now, after butting my head on this thing for four years, I'm just as paranoid and just as convinced that there are politics being played."

The politics inherent to medical marijuana research involve the drug's illegality. As a Schedule I substance,

marijuana research may only take place if approved by the National Institute on Drug Abuse (NIDA) (the only legal U.S. supply source for marijuana) or an importation license is secured from the Drug Enforcement Administration (DEA). Abrams soon learned that neither agency was interested in permitting research that sought to determine whether marijuana was anything other than the "Devil's Weed."

In 1994, the DEA denied Abrams' request to import Dutch-grown marijuana and advised Abrams to secure the marijuana from NIDA. In August 1994, Abrams wrote NIDA asking the agency to supply him 5.7 kilograms of government-grown marijuana. After waiting nine months for a response, NIDA flatly rejected Abrams' request and attacked his methodology. Abrams later wrote NIDA head Alan Leshner and informed him that "Dealing with your Institute has been the worst experience of my career."

Unbowed, Abrams spent the next year revising his protocol to address many of NIDA's concerns. His 1996 protocol called for an in-patient study at a local hospital, and measured details such as caloric intake, weight change, energy expenditure, immune function, viral load and hormone levels. The NIH denied this protocol as well.

"Two of the reviewers questioned why in the world we would ever consider studying [the medical potential] of such a toxic [sic] substance," Abrams told the *Washington Post*. He noted that a third reviewer worried that AIDS patients who boosted their

food intake because of marijuana might raise their cholesterol levels and put themselves at risk of developing hardening of the arteries.

This past May, Dr. Abrams revised his protocol yet again. Rather than attempting to compare marijuana's medical potential with that of synthetic THC, Abrams' latest version instead focused on determining the potential short-term harmful effects of marijuana on HIV-positive patients. Specifically, the study will examine whether marijuana interferes with the effectiveness of new protease inhibitor drugs frequently prescribed in AIDS cases. Abrams requested nearly \$1 million dollars to complete the 18 month study. NIH approved the study on September 18.

Allen St. Pierre, Executive Director of The NORML Foundation in Washington, D.C., said the Abrams saga is representative of federal government's attitude toward medical marijuana research. "In 1992, Dr. Abrams embarked on a simple pilot study to determine whether marijuana stimulates weight gain in HIV-positive patients. That protocol, although FDA approved, was rejected by both NIDA and the DEA on three separate occasions. Only after Abrams revised the study to limit its scope to determining if there are risk factors associated with the use of marijuana by HIV-positive humans did NIH allow the trial to go forward. This approved protocol is a far cry from what Abrams proposed five years ago and gives evidence that Washington's definition of 'open' to research is far different from anyone else's."

—Paul Armentano

tax dollars from being used to fund a political campaign.

9/18/97: NIDA officially announces on September 18 that Dr. Donald Abrams of UC-San Francisco will receive his full grant request of \$978,000 for a study of the use of smoked marijuana, oral dronabinol, and a placebo, in HIV-positive patients. The aim of the revised protocol is to determine whether marijuana has serious short-term side effects on the health of HIV-positive patients. Only if the findings of this initial study — scheduled to take nearly 18 months to complete — are negative, would Abrams then be permitted to research safety and efficacy of the chronic use of marijuana for HIV-associated anorexia and weight loss.

October 1997

10/01/97: Witnesses on both sides of the medical marijuana issue testify before Congress at a hearing before the House Judiciary Committee, Subcommittee on Crime. Proponents liken marijuana's medical utility and safety to drugs such as penicillin and urged the federal government to support legislative

California, announces that it will coordinate medical marijuana initiatives for 1998 in Colorado and Maine. Colorado's reform effort seeks to amend the state's constitution to allow anyone holding a state-issued identification card to legally possess up to an ounce of marijuana for medical use with a physician's recommendation. Cultivation limits are set at six plants, with no more than three plants producing usable marijuana at any one time. A similar proposal filed in Maine would limit the use of marijuana to patients suffering from AIDS, glaucoma, multiple sclerosis, or undergoing cancer chemotherapy. As in Colorado, the proposal allows patients to grow up to six marijuana plants.

11/02/97: The NIH rejects a research proposal to study the use of marijuana in acute migraine treatment.

11/04/97: Initiative 685, the "Drug Medicalization and Prevention Act of 1997" receives only 40 percent support from Washington state voters. The defeat comes as a disappointment to

reformers, but medical marijuana proponents say that public support for medical marijuana remains strong. "The defeat of I-685 was not a defeat for medical marijuana," NORML Director R. Keith Stroup, Esq., says, citing exit poll results indicating 46 percent of those opposed to the initiative would support a measure dealing only with medical marijuana. "It further supports our belief that a majority of Americans favor focused legislation allowing a patient to use marijuana medicinally under a physician's supervision."

The Outlook

It is apparent that the federal government is not about to relent in its opposition to the use of marijuana as a medicine. Threats by Washington to severely sanction doctors in California who recommended marijuana to a patient ceased only after a federal court ruling. No federal agency has yet to begin clinical trials involving the effectiveness of medical marijuana. As approved by the National Institute of

The federal government is not about to relent in its opposition to the use of marijuana as a medicine.

efforts to allow physicians to prescribe the drug, while opponents urge federal officials to take a more vocal stance opposing pending state marijuana initiatives. Republican anti-drug zealot Bob Barr (R-Ga.) vocally attacks libertarian witness Roger Pilon of the Cato Institute and calls spectators "walking testimonials to drug use."

10/08/97: Federal law enforcement officials raid a Cannabis Buyers' Club in Sacramento. For the first time since the passage of Proposition 215, federal arrests are issued against a California CBC.

November 1997

11/01/97: Americans for Medical Rights (AMR), the California-based group that spearheaded the successful passage of Proposition 215 in

34 Curious Facts About Marijuana *continued from p. 33*

FACT 20: Marijuana's most dangerous side effect is jail.

FACT 21: While I was researching this story — *cough, cough* — I discovered a fact conspiracy theorists might find intriguing.

FACT 22: In 1937, the year duPont patented Nylon — the first 100 percent man-made fiber — the federal government outlawed the cultivation of marijuana, the source of hemp. Remember hemp? The miracle fiber our grandparents used to make cloth, rope, and all kinds of other wonderful natural products.

FACT 23: It's amazing what you can do with facts.

FACT 24: I smoked pot for more than 20 years. It didn't turn me into a chicken-wing liberal, a communist, a thief, a deranged killer, or even a closed-minded conservative. I grew up to be a reasonably responsible adult. I have a job, a house. I pay taxes. I'm faithful to my wife. And I try my damndest to believe in God.

FACT 25: I'm not advocating every one smoke pot like John Lennon once did at the end of a Beatles' song. I just

don't think inhaling smoke from a plant that grows wild on five continents should be against the law.

FACT 26: Civilization as we know it would not cease to exist if marijuana were suddenly legal.

FACT 27: People probably wouldn't notice. Of course, they might suspect something if in the middle of a crowd, some fool blurts, "Wow! That cloud looks just like a dog with a top hat smoking a cigar."

FACT 28: It's impossible to explain to someone who's never smoked pot what it's like to be stoned.

FACT 29: Ever wonder what the Indians smoked in their peace pipes?

FACT 30: Marijuana is an effective treatment for glaucoma, asthma, and nausea associated with chemotherapy.

FACT 31: Fact 29 was a question.

FACT 32: Thomas Jefferson, George Washington, and Benjamin Franklin all grew marijuana.

FACT 33: There's no proof the one who flew the kite in the lightning storm was high at the time.

FACT 34: This is the last fact. □

Health (NIH), the much-anticipated protocol submitted by Dr. Donald Abrams will only determine the safety or toxicity profile of cannabinoids in persons with HIV. It will not evaluate marijuana's medical potential in alleviating the weight loss associated with the AIDS. NIH flatly rejected a proposal submitted by researchers from The Montana Clinic in Missoula to study the use of marijuana in acute migraine treatment, and hasn't acceded to a Massachusetts Board of Health request

So far, threats from the federal government to arrest patients who use marijuana and physicians who recommend it as authorized by California's or Arizona's new laws have proved hollow.

to provide government grown marijuana to state certified patients.

Increased public scrutiny may finally encourage the NIH to approve a limited number of medical marijuana research studies, but there is no indication that the federal government will stop arresting and jailing current medical marijuana users while these studies take place. Recent statements by the White House indicate that medical marijuana users will still be punished to the fullest extent of federal law regardless of whether medical marijuana research is scheduled to take place.

For the second session in a row, Congressman Barney Frank introduced legislation to make marijuana legally available as a medicine. Frank's bill emphasizes Congressional sentiment in favor of states' rights and seizes on momentum created by the Arizona and California initiatives.

On October 1, Congress allowed testimony from medical marijuana proponents for the first time since the passage of last year's initiatives. Not surprisingly, proponents found little support among Congressional Republicans and were outnumbered two-to-one by witnesses opposed to the medical use of marijuana. Even so, National Organization for the Reform of Marijuana Laws (NORML) Execu-

tive Director R. Keith Stroup called the hearing a positive step toward reform. "The good news for the medical marijuana movement is that McCaffrey and other federal officials no longer claim that there is no currently available medical marijuana research or refer to our position as 'Cheech and Chong medicine,'" Stroup said. "Now they have fallen back to the position that physicians and scientists should decide this issue, a position NORML also favors. This change represents a step in the right direction, and we are accustomed to making progress in small increments when the final goal is changing decades-old ideologies on Capitol Hill."

Legislation in Congress punishing physicians who recommend or prescribe marijuana under the authority of state law emerged as a backlash to the successful California and Arizona initiatives, but much of the language included in these bills appears too extreme for most members of Congress. In addition, U.S. District Judge Fern Smith's ruling makes clear that the First Amendment protects physician-patient communications and that the government has no authority to determine the content of physicians' speech. Therefore, it is unlikely that Congress will support either the Faircloth or Hatch provisions. A more likely tactic Congressional opponents may pursue would be to encourage state representatives to introduce legislation repealing several active state laws endorsing marijuana's medical use. In 1997, Ohio lawmakers repealed a seldom-used medical marijuana defense law. But legislators in Virginia refused to annul an 18-year-old law allowing doctors to prescribe marijuana to patients suffering from glaucoma or undergoing cancer chemotherapy.

Today, federal officials from the Drug Czar's office seem to be taking a decidedly lower profile in their opposition to pending state marijuana initiatives than they did last year. Barry McCaffrey only voiced minor opposition to the "Drug Medicalization and Prevention Act of 1997" in Washington state and potential initiatives in Florida, the District of Columbia, Arkansas and elsewhere. Overall, federal opposition has appeared disorganized. However, there is evidence that federal funds may have been used to help fund an anti-medical marijuana

campaign in Washington.

Recently, McCaffrey told reporters that his office would limit involvement campaigning against future initiatives. "I'm not in charge of America," McCaffrey told Reuters News Service on October 1 in response to Congressional criticism that he has not been vocal enough in his denunciation of state medical marijuana initiatives. "I'll provide information for the debate. . . . I'll inform [the public] of federal law. [But] I'm not America's nanny. The American people are perfectly capable . . . of making up their own minds." Statements like these suggest that federal drug policy wonks will stop interfering with state initiatives. But Congress seems determined to continue to pressure the ONDCP into the arena.

Since November 1996, physicians and medical organizations have increased their public support for medical marijuana research and, in some cases, legal access. No doubt, much of this outpouring of support from the medical community comes as a response to the heavy-handed remarks made by federal officials. Both federal lawsuits challenging the government's stance against medical marijuana were spearheaded by physicians and local medical groups. In addition, calls for research and legal protections for phy-

Local and state law enforcement will most likely continue to be the primary enforcers and interpreters of state medical marijuana laws.

sicians by the California Medical Association, *The New England Journal of Medicine*, and others further legitimize the medical marijuana issue. In hindsight, it appears that the government's threats to sanction physicians was a strategic miscalculation. Not only did it inspire public furor, but more importantly it encouraged medical groups like the AMA — who may have otherwise remained silent on the medical marijuana issue — to come forward in support of its members. In the last year alone, the British Medical Association, the Florida Medical Association, the

American Cancer Society, AIDS Action Council, the California Academy of Physicians, the San Francisco Medical Society endorsed medical marijuana use or research. In California, even unlikely organizations such as the California Narcotics Officers Association and the California District Attorney's Association pledged their support to legislation proposed to establish a "medical marijuana research center" at a campus of the University of California. Continued support from these prestigious and high-profile groups could inspire a relaxation of federal policy.

California and Arizona have taken different paths since November 1996. While some California legislators and law enforcement agencies voiced opposition to Proposition 215 before the election, most now accept the decision of the voters and cooperate with proponents in implementing and interpreting the law. Guidelines to state police officers from the Attorney General advise law enforcement to "use common sense when applying the Compassionate Use Act of 1996 and abide by the spirit of the voters' . . . intention." This discretion in enforcement led police to return marijuana plants and grow equipment to an AIDS patient after he produced a framed doctor's statement supporting use of the drug. In another case, the Sacramento County District Attorney's Office dropped charges against an AIDS patient who was cited after smoking marijuana in public.

Most judges interpret Proposition 215 broadly. In significant trial court rulings, judges have declared that Proposition 215 is a valid affirmative defense for qualified patients, the initiative may be applied retroactively, cannabis buyers' clubs may qualify as "primary caregivers" and operate legally under state law; the amount of marijuana allowable per patient under the initiative depends on the medical facts of the case; and that transportation of medical marijuana is legal in some instances. Ongoing legislative developments will keep California on the cutting edge of the medical marijuana movement and spearhead the growing national debate.

In Arizona, the legislature has refused to implement Proposition 200. Recently, a referendum submitted by

continued on page 54

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Columnist and
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What Am I Doing Here?

by Rycke Brown

On June 18, 1996, Rycke Brown was arrested at her home near Kingman, Arizona, and charged with felonious production and distribution of marijuana. She was convicted, and is currently serving a sentence of three years in the Arizona Center for Women, in Phoenix.

What am I doing here? I didn't hurt anyone. All I did was grow a little weed. All I did was contribute to the enjoyment of myself and my fellow man, and make a little profit thereby. I didn't hurt anyone. Why are they hurting me?

What am I doing here? That is the question asked every day by thousands upon thousands of captives across the land. Many of them, like battered wives, figure that the fault has to lie in themselves, that they couldn't be punished unless they were guilty — of something. "God must have a reason for me to be here," they say, forgetting that there are forces of evil in the world, too. "I would've died if I'd kept going the way I was," some say, or "the state saved my life by throwing me in jail" — forgetting that one reason they never sought help was that to do so would incriminate them. There is an urge to make sense of the senseless, to find some good in the evil being done to them. In doing so, they take the guilt of their oppressors on their own shoulders. Some break under the weight of it.

Some accept just a little of the guilt for their ruined lives, knowing that they broke "the law," however unjust, for profit and pleasure, accepting their captivity as the price they pay for being caught. Some are even happy to be freed of the strain of living in fear of the law, though they hate every moment behind these walls and fear what they face when they leave: the lowered employment prospects; the scorn of society for the ex-con; the continued captivity of parole and fear of returning here.

And some, like me, refuse to accept any guilt, knowing that an unjust law is a contradiction in terms, is no law at all. We know that we have been kidnapped and stolen from. If we carry any guilt at all, it is the guilt of having given in to extortion and knowing that we will give in to more when we leave. What we carry is anger for our ruined lives, anger at our captors and our fellow citizens who collaborate with them by their silence and cooperation.

Guilt accepted is anger, too — anger turned inward, at

ourselves. When it is no longer accepted, the anger will still be there, but will have turned outward and redoubled, explosive in its intensity for having been held in so long. I shudder for those it will be turned on. Some will not deserve it.

What am I doing here? I, at least, have a partial answer to that question. I am here to challenge "the law," to give them the argument that could end the Holy War on Drugs and bring down the State Church. Of course, I would be here even without the argument, as bewildered as the rest. So it is good to have a mission, a sense of purpose to lend some sense to the senseless.

But my opening brief, which seemed so eloquent a week ago, now seems pitifully inadequate, naive in its sincerity, desperate in its supporting citations. Yet, I know that sincerity, logic, and justice are all I've got going for me, that those who are not naive refused to touch this argument, considering it too radical, too ambitious, doomed. I also know that the argument itself is what counts, that if the justices like it, they will find the citations to support it. If they don't, all the citations in the world won't make them accept it.

The other thing I have going for me is the unsustainability of what is, the growing debt of the State Church, as well as the growing anger against it, for injustice on this scale is ruinously expensive. But the anger works against me, too, for in accepting my argument, the justices must accept their share of the guilt for what is. But the guilt is theirs, nonetheless. In accepting it, they would simultaneously repent and cleanse themselves of it. They would be hailed as saviors by those they had previously oppressed. Of course, they would also be reviled as traitors by their fellow oppressors. But if they do not accept the guilt, it will sooner or later be thrust upon them when it will be too late to repent. When the State Church collapses through debt or popular revolt, they will fall with it, and great will be the fall of it. □

Proposal

Free-Market Money

by Richard Timberlake

The best alternative to the central banking by the Federal Reserve is not the "gold standard," but something much freer.

Anyone in the United States who wishes to do so can set up an enterprise to produce ballpoint pens, desk calendars, computers, gardening equipment, and myriads of other conventional and well-known products and services. Many other lines of human endeavor, such as the production of pharmaceuticals and drugs, while not prohibited to private enterprise, are strictly regulated by self-interested government agencies. Federal laws, however, completely proscribe the private production of one otherwise perfectly legal commodity: money.

The Federal Reserve central bank has the only legal authority to create money. It can generate as much or as little money as it wishes through its Federal Open-Market Committee (FOMC). It also licenses commercial banks, and some other financial institutions, to produce additional money in the form of deposit-checking accounts. For all practical purposes, the production of money is a complete governmental monopoly.

So let us begin with a thought experiment. Ask yourself what would happen if Congress suddenly announced that the Federal Reserve System would no longer manage the U.S. monetary system; that the existing stock of Federal Reserve money would be fixed at its current dollar value; and that banks and business firms would henceforth be free to produce money without constraint of any kind, *except* that no private money would be *legal tender* for any kind of

payment. (In other words, no one would be legally obliged to accept private money in payment of debts.) Assume also that state and local governments would not be allowed to occupy the monetary turf that the federal government had just vacated.

What would happen? Would monetary chaos result, as sophomores and statist all too readily exclaim? Would industrial disruption devastate the economy? Would interest rates soar to the heavens without the applied wisdom of the Fed? Would hyperinflation spiral prices into the next galaxy? For suggestive answers to these questions, let us briefly explore the complex of events and institutional developments that have summed up to the totally discretionary and almost opaque monetary system we have with us in the United States today.

Libertarians often declare stubbornly that "the" gold standard is the only monetary policy consistent with a free society. "The" gold standard, they hold, is both a necessary and suf-



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ficient condition for insuring that the monetary system will not be ravished by statist plunderings. Joseph Schumpeter, the well-known Austrian economist, eloquently stated this principle around 1940: "An 'automatic' gold currency," Schumpeter declared, "is part and

parcel of a laissez-faire free-trade economy. . . . It is both the badge and the guarantee of bourgeois freedom."

A gold (or gold and silver) standard becomes operational when a government formally decrees by law an equality between units of money — dollars in the United States — and some precise weight of the precious metal. Between 1834 and 1934 in the United States, for example, a ten-dollar gold piece — a gold Eagle — was defined by law to contain at least 232.2 grains of pure gold, which is slightly less than half an ounce, and 10 per cent base metal to make the coins 90% pure and suitable for hand-to-hand use.

Governments, however, did not invent gold or silver coins, or money

itself, for that matter. In fact, primitive moneys came into existence as marketing expedients long before the precious metals appeared on the scene. Gold and silver were the ultimate commodity moneys — the stablest in value, the most durable, the most recognizable, and the most serviceable. Their former prominence, however, does not mean that they were necessarily the best for all time.

Primitive moneys serve as excellent examples of how economic devices may emerge spontaneously in the

Governments did not invent gold or silver coins, or money itself, for that matter. In virtually no case has any government ever improved an existing monetary system.

presence of a pronounced need. Carl Menger, another famous Austrian economist, drew three conclusions from his extensive research on the evolution of money. First, the appearance of money "was not the product of an agreement on the part of economizing men nor the product of legislative acts. No one invented it." Second, "the specific forms in which [money] has appeared were everywhere and at all times the result of specific and changing economic situations." Third, governments, whether benign or oppressive, had nothing to do with the evolution of money from barter. "Money," Menger emphasized, "is not an invention of the state. It is not the product of a legislative act. Even the sanction of political authority is not necessary for its existence."

Having made himself a hero by denying the necessity of government for initiating and developing a viable monetary system, Menger then entered another argument that dulled some of the luster of his previous insights. "The sanction of the state," he wrote, "gives a particular good the attribute of being a universal [medium] in exchange; and although the state is not responsible for the money-character of the [money], it is responsible for a significant improvement of its money-character."

The "significant improvement" that the state could make in the character of money, in Menger's view, was to impress upon the money already circulating the additional quality of legal tender so that everyone would be forced to accept it. The state cannot make private money legal tender because such a privilege would give private money producers inordinate powers. So, once the state has won its case for the "necessity" of legal tender, it must become the sole producer of such money. Governments have always claimed that monetary systems "need" the legal tender feature — that legal tender gilds the gold. However, note the contradiction: Money is already circulating as far as private volition will take it. Nonetheless, the state, in order to make the money "better," forces everyone to accept it. Money in the Mengerian world was an unusual product: When forced upon society, its quality improved!

In his section on coinage, Menger found yet another monetary function for the state. "The best guarantee of full weight and assured fineness of the coins," he claimed, "can be given by the government itself, since it [the government] is known to and recognized by everyone and has the power to punish crimes against the coinage. Governments have therefore usually accepted the obligation of minting the coins necessary for trade. But," he despaired, "they have so often and so greatly misused their power that economizing individuals . . . almost forgot the fact that a coin is nothing but a piece of precious metal of fixed fineness and weight."

At this point, Menger signed off on the subject, offering no explanation of why governments that could do so much good ended up doing so much harm. Public choice economics that would explain this seeming contradiction was not to appear until 70 years later.

I quote Menger's musings in some detail because his analysis of the evolution of money from barter is so convincing, and because his presumption about the role of the state in making a good thing better reflects so well com-

mon thinking on this subject — both by the layman and by the trained professional. However, this common notion has been disproved innumerable times in practice. In virtually no case has any government ever improved an existing monetary system. Giving government control of money is clearly a case of the fox guarding the chicken house. I dare say that many respectable foxes could do much good guarding chicken houses from possums and rats and such. The trouble is that foxes have a taste for chickens, and different incentives than to do good deeds for farmers. Likewise, the human beings who operate government monetary systems have other agenda that they wish to further.

Anything that develops spontaneously in markets must be humanly useful because spontaneity implies mutual benefits to both buyers and sellers. When a money appears as a market device, it must be *extremely* good because money by its very nature must do its work in *all* markets. Traders in markets, therefore, all have the incentive to insure that whatever passes as money is universally acceptable. Anyone who is a seller in one market is, perforce, a purchaser in many other markets. So every seller and every buyer must be assured that the money he and she use will be accepted by other buyers and sellers. No other economic article is so carefully monitored by its users.

The obvious question then follows: How can a government improve on an economic device that market processes have initiated, tempered, and accepted? In particular, of what value is the government's coercive device of legal tender? If people use a money because they find it superior to any other means for exchanging goods and services, legal tender does nothing for the quality of the money that has not already been done by the actual emergence of the money into common use.

William Brough, an astute nineteenth century commentator on monetary affairs, said it best in his scintillating work, *The Natural Law of*



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(or Eagle)

Tender: "There is no more use for a special law to compel the receiving of money than there is for one to compel the receiving of wheat or of cotton. . . . Under this natural law [that allows money to develop competitively in the private sector], it is no more necessary for the government to prescribe the kind of money that shall be used, than it is to prescribe to the housekeeper the use of the lucifer match in place of the flint and tinder-box, or to the railroad man the use of steel rails in place of iron, or to the farmer the use of the plowshare in place of the forked stick."

Once within its legal tender powers, however, the state can extract the tax known as seigniorage, the practice of issuing coins whose face value exceeds the value of their metallic content. Ancient Roman emperors, and also many other despots through the ages, realized enormous revenues from this practice. They would call in all the outstanding coinage, debase it with zinc and copper, perhaps coat it with a "wash" of silver, and reissue the nominal amount they had called in. They

Giving government control of money is clearly a case of the fox guarding the chicken house.

would then spend back into circulation the excess coin they had extracted from their coinage "reform." Tyrannical Roman emperors used this inflationary taxing device for centuries.

In the United States and all other countries today, central banks similarly create new paper money and bank reserves at almost no cost. Their government overseers then spend the new money into circulation on their multitudinous boondoggles. The seigniorage tax in the United States, which the Federal Reserve central bank levies without any due process or legal sanction, brings in approximately \$30 billion per year to the federal government. The Fed creates this much new "base" money at almost no cost in its open-market purchases, and subsequent monetization, of federal government debt.

The founding fathers of the United

States were well aware of the devastation that could result from the unconstrained issue of government paper money. Some thought that such issues had been useful in carrying on the struggle against England, but they all realized how dangerous such a power would be in the hands of any republican government in time of peace. They therefore included in the U.S. Constitution, a provision that "The Congress shall have power . . . To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures" (Section 8) and prohibited any state, including all the states together, from emitting "bills of credit," or making "any thing but gold and silver coin a tender in payment of debts" (Section 10). The Constitution thereby set forth the conditions for a gold, silver, or bimetallic monetary standard that limited the role of both the states and the United States to nothing more than coinage operations. Nor did it prohibit private coinage of gold and silver. Indeed, private coinage was well known before the Civil War. As one would expect (at least this one) private coins often had a few more grains of gold or silver in them than government coins of the same denomination.

As if to flout the provisions of the U.S. Constitution, the present-day Congress through its Federal Reserve central bank *does* make other things besides gold and silver coin a tender in payment of debt. The other things it makes legal tender are Federal Reserve "bills of credit," which clearly violate the prohibition in Section 10. Finally, gold and silver coins are nowhere to be seen. Indeed, for forty years — between 1933 and 1973 — the federal government forbade by law the use of gold for monetary purposes, and even the private ownership of gold beyond a trivial amount. The Supreme Court in the mid-30s, bowing to the political pressures it was supposed to shun, supinely sanctioned this topsy-turvy "interpretation" of the Constitution that the Roosevelt Administration imposed upon it.

Earlier Supreme Courts, in the 1870s and 1880s, had handed down decisions that were even more atrocious, when they were called upon to decide the constitutionality of the federal government's greenbacks issued

during the Civil War. The Court's last greenback decision, *Juilliard v. Greenman*, 1884, stated that Congress had the power to declare the U.S. Treasury's paper money a legal tender in time of peace as well as war, and for all debts, including those entered into *before* the enactment of the laws. Justice may have been blind, but it was not deaf to the rustle of greenbacks.

This record does not speak highly for the restraining effect of a gold

Of what value is the government's coercive device of legal tender?

standard. If the world's most notable constitutional republic could not prevent the growth of a state that successfully assumed complete discretionary control over the monetary system, what hope is there that a revived gold standard could constrain the monetary rapacity of the current government?

Gold standards were put in place by governments, and, in all but a very few cases, they have been managed by governments. Even today, the call for "the" gold standard by political candidates, such as Steve Forbes, by some Austrian economists, and other proponents of "sound" money, envision Congress and the U.S. Treasury setting a price for gold in dollars. The Treasury's gold stock would then serve as the supposed limit to the government's creation of money.

The best way of getting from here to there — "there" being a viable monetary system free of governmental manipulation, exploitation, and uncertainty — requires a blueprint that incorporates the useful trappings of the present-day monetary system into a new institutional framework. Based on the lessons of history, the new monetary framework must feature free private competitive enterprise in the production of money, and complete autonomy from any government influence.

A gold standard, especially "the" gold standard administered by a central bank, is not an answer at all; it is just as subject to government tampering as any other institution managed

by the state. Many interventionist central bankers embrace a "gold standard" because it serves as a respectable cover for their traditional hands-on control.

One need not despair, however. Gold can better be a money and a common standard without being officially crowned. Federal Reserve Banks *can* be privatized, and the commercial banking system can (and should) be cut loose from governmental controls so

A gold standard, administered by a central bank, is just as subject to government tampering as any other institution managed by the state.

that banks compete freely in furnishing the economy with money.

What must be done is technically very little, but politically enormous.

The first order of business is to get the gold out of the U.S. Treasury and into the hands of the American people. The Gold Reserve Act of 1934 authorized President Franklin Roosevelt to nationalize all domestically owned gold. By his edict, all private citizens were required to sell their gold to the U.S. Treasury, which paid for it at the official mint price of \$20.67 per ounce. Then, with the fiat power vested in him by that same Gold Reserve Act, Roosevelt devalued the gold dollar by raising the mint price of gold 59 percent — from \$20.67 to \$35 per ounce. Since the government now owned all the monetary gold, it realized all of the net gain from its revaluation of the gold it had expropriated. This "profit" amounted to \$2.8 billion, which then was almost equal to one year's federal tax revenues. None of this "profit" went to the private sector where it was desperately needed. It simply increased the dollar value of the bloated hoard of gold already in the U.S. Treasury — from \$4.033 billion in January 1934 to \$7.438 billion in February 1934. By 1940 the Treasury's stockpile of gold had reached more than 20,000 tons, or 2,000 ten-ton truck loads, which, given 100 feet per truck, would form a convoy stretching 38 miles!

The Treasury's gold stock since then has dwindled to "only" 260 million ounces, or 8,125 tons (15 miles of trucks). The gold has no current monetary or fiscal function for its government owners. It provides no income or benefit of any sort. It can have no psychological value in soothing the masses because no one, not even a member of the U.S. Congress, is allowed to examine it or otherwise verify that it is there. Furthermore, it costs a significant quantity of real resources to keep it secure in the vaults at Ft. Knox and other places. Even disregarding the maintenance costs, just the capital costs on this \$80-plus billion stockpile, at 6 percent, come to more than \$5 billion per year. In the hands of the state, government gold has become the "barbarous relic" that John Maynard Keynes characterized it in 1923. The role that it could play as a viable money or a usable commodity is completely precluded by its government ownership.

No U.S. government under any president is going to reestablish a gold standard along traditional lines. Treasury spokesmen in the typical administration claim with some validity that estimating the gold value of the contemporary Federal Reserve dollar is impossible. They argue that the inability to determine gold's monetary value, and other uncertainties, are good excuses for doing nothing. So the gold continues to be a useless and inaccessible heap, similar in its non-use to other "surplus" commodities in government stockpiles.

Even if the Treasury went through the formality of giving the dollar a fixed gold value, Treasury managers would insist on keeping the gold in Treasury vaults in order to "back" the existing monetary aggregates that would now be "based" on gold. Central bank policies would not change, but would have an undeserved aura of respectability behind which central bank managers would conduct business as usual. Sound money advocates, therefore, should not waste their time and energy lobbying for an official state-run gold "standard." Their "success" would simply see the state become the overseer, manager and custodian of the out-of-sight gold stock, while continuing to manipulate a central-bank paper

money on the basis of political expediency.

What is needed is the separation of this gold hoard from the state just as law and precedent has separated church and state. Such a program could begin as an economizing measure, but it would also privatize the gold and atone in part for the Roosevelt expropriation. Here are all those thousands of tons of gold lying there absorbing taxpayer resources and doing no one any good. Give the gold back to the people in the private sector from whom it was unconstitutionally requisitioned in 1934.

To get this gold back into private hands expediently, the Secretary of the Treasury should issue one one-ounce gold certificate for each listed dependent on every 1040 income tax form filed in the current tax year.* For one year, say 1999, everyone would file a return whether he owed any taxes or not in order to provide a means of distributing the new gold certificates. These certificates would be redeemable in gold at the Treasury when presented in the proper quantities.

Most of the Treasury's gold is in the form of ingots, each of which weighs

Here are all those thousands of tons of gold lying there absorbing taxpayer resources and doing no one any good.

27-plus pounds and is worth about \$140,000 at the current market price of gold. The Treasury would sell these gold bars freely to any private firm or individual tendering the certificates in the necessary quantities. It would leave the disposition of the gold entirely to private wholesalers, brokers, and bankers.

Taxpayers who received the certificates would be elated. After all these decades of paying taxes, they were finally getting something back from the IRS that was not their own wealth to begin with — and gold at that! The

* Here I assume, of course, that the IRS is not abolished altogether. In the event of IRS abolition, a similar program could be devised.

Consumer Confidence Index would take a quantum leap upward. The gold would be only a pittance in value compared to the trillions of dollars taxpayers had paid in. The gesture, however, would reflect the good will of a grateful government that rewarded its constituents by returning to them some real wealth that it cannot use and cost it nothing in the first place.

What would the "unwashed masses" do with their new windfalls? Some people would deposit their certificates as gold checking accounts in banks, and the banks would accommodate these gold depositors by creating accounts that used only gold for clearings and transactions. The banks would duly claim the gold from the U.S. treasury. The gold would then become a true reserve backing the gold deposits of bank customers, who would write checks redeemable only in some specified quantity of gold. Gold balances would then move from bank to bank just as in the old days, even if very little gold passed from hand to hand as currency. (In practice, the banks would also economize the transport of gold by various means.)

Some certificate holders would exchange their certificates for gold coins produced by private coin smiths, who would redeem the certificates at the Treasury for some quantity of gold ingots. Many people would undoubtedly sell their certificates in the gold market for Federal Reserve dollars, which would in no way be depreciated by the presence of the new gold. Much to the contrary; the traffic in gold and conventional Federal Reserve paper money would enhance the quality of the paper.

Even if many people, businesses and institutions used gold as money, gold would not become "the" official monetary standard. It would not have a mint price set by Congress. No government bureau, agency, or office would hold gold, manage it, coin it, or regulate it. At most, the U.S. Treasury would prescribe the denominations of coins by weight. Federal Reserve notes and Federal Reserve Bank deposit accounts for commercial banks would still be conventional money. The new gold, however, would be available for monetary purposes if people so desired. Its dollar value, of course, would be its price in Federal Reserve

paper money. This value would quickly become very stable.

Gold price stability would be reinforced by a complementary policy that would simultaneously freeze the existing quantity of Federal Reserve money at its present dollar level. Federal Reserve monetary policy, from now on, would be nothing more than a housekeeping function that would maintain constant the total dollar value of Federal Reserve money.

Federal Reserve paper money would not be called in and destroyed. Such a move would solve nothing and would cause a great deal of consternation, and even panic. The damage from the government's irresponsible and unconstitutional printing of money in the past has long since been done. It cannot possibly be undone by a scorched earth policy now. Federal Reserve money is a part of the whole economic system's capital, and it is used confidently throughout the world. Freezing the existing quantity, however, besides encouraging the development of private gold money, would verify the paper dollar's present value and credibility, and would preclude any further governmental tampering with the monetary system.

Proper reform would not, and could not, stop here. The full legal tender feature of Federal Reserve currency should be reduced to: "Legal tender only for government dues and payments." Since private households and business firms could now use or refuse government money, private money based on gold or other media would not be crowded out by the forced acceptability of the government's Federal Reserve money.

Throughout the period before the Civil War, issues of Treasury notes to cover minor fiscal deficits had this limited legal tender feature, and the notes circulated with no loss of public acceptability. It was only during that terrible War that Republican Congresses forced the greenbacks into circulation by making them full legal tender. Postwar Republican Supreme Courts then declared shamelessly that the Constitution provided for this outrage!

Since the Federal Reserve Banks would have no further monetary policy functions, their management could

***The Stance Of Atlas* by Peter F. Erickson Examines Ayn Rand's Philosophy of Objectivism**

Ayn Rand's major teachings are considered in detail. In addition to this, special attention is given to the relation of her philosophy of Objectivism to Einstein's theory of relativity and also to Dialectical Materialism (the intellectual basis of Marxism).

Ayn Rand's rejection of collectivism is not disputed. Her position on the efficacy of reason remains—also her acceptance of freewill.

Ayn Rand's epistemological and metaphysical teachings are subjected to extensive criticism. Her attempt to solve the problem of universals is shown to be a failure. *The Stance Of Atlas* actually provides the correct solution. She believed, incorrectly, that Objectivism has the key to answering the problem of induction. *The Stance Of Atlas* shows that this problem was basically solved by a forgotten English logician early in this century. Contrary to Rand's Objectivism, it is established that reason is open to the possibility of God's existence.

Ayn Rand's attempt to found a new morality is shown to be less than what she took it to be. The defense of fractional reserve banking made by Alan Greenspan in Rand's book on capitalism is refuted. Other important issues are discussed.

Considerably less relativistic than Objectivism, *The Stance Of Atlas* is also implicitly more individualistic. If read with care, this book is capable of providing a portion of the deep intellectual improvement promised, but not delivered, by Objectivism.

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be conveniently returned to their titular owners — the private sector banks and financial institutions. Regional banking associations would then operate them much as they did their clearinghouse associations in the nineteenth century. (The Federal Reserve Banks took over much of commercial bank clearing operations after their creation in 1913; so this change would simply transfer the payment system's clearing functions from government management back to private management.)

Finally, what should be done about the closely regulated 13,000 banks and other private financial institutions? Should they be treated any differently than other private firms? Suppose, as I suggested earlier, that any individual or any business firm or bank were allowed to create money at will, but

without any power to make such money legal tender. What would happen? Chaos? Hyperinflation?

Unlike the suppliers of government legal tender money, which is forced into circulation and therefore has no check-and-balance from the demand side, private producers of money would have to redeem their money with something that had commonly recognized value. Furthermore, issuers of money would force each other to maintain the integrity of their currencies by constantly presenting each other's notes and deposits for redemption in the time-honored manner, so that no overissue could result. Private money issues, if not regulated or managed by the state, would be of as high quality as privately produced foods, clothing, and houses.

Many economists and others have vilified banks as inherently unstable fractional reserve institutions. On closer examination, however, the perceived instability has been more the result of governmental regulations that have hamstrung the banks than of any intrinsic faults. The legal restrictions have been crippling, especially in the United States. They have included a host of constraints that have kept banks small and weak, have often immobilized their reserves at critical times, and have prevented them from arranging their own defenses when pressed. Being rendered so impotent by government policies, the banks "naturally" needed a central bank to sustain them. Left to their own devices, however, banks have shown a credible ability to keep their houses in order. And why shouldn't they? No banker has an incentive to become an ex-banker. He has too much at stake.

No, chaos would not accompany free private competitive enterprise in the production of money. Frivolously printed money could not appear. You would no more take the paper money I ran off from my computer than I would take yours. We both would use the money of reputable firms who specialize in the production of money — who verified by word and deed their willingness and ability to redeem issued money in some valuable final medium. The redemption medium would not necessarily be gold, although it could be if the gold were privatized in the manner suggested above. But it might also be slices of a mutual fund, or sections of real estate, or claims to bundles of easily valued commodities. It would also very likely include some of the now-frozen stock of government paper money.

We must be careful not to allow ourselves to make the mistake of thinking that an ironclad model of a private monetary system is thwarted simply because we cannot conjure up all of its details at this moment. We can no more foresee all of the innovations that creative capitalism might employ to expedite the transactions of goods and services than we can imagine what those goods and services might be. Reflect for a moment, as my contemporaries do at fifty-year reunions, on the things in our daily experience today that are common to the point of being

Poetry

Nostrums for a Nap

Fold the hands.
Breathe deeply.
Wear shoes —
pretend to wink
and you'll tunnel,
without trying,
into sleep.
Breathe deeply.
If the phone
rings, it's over.
What's allowed
is the small plane
droning a mile
high, the dog
in the distance.
Breathe deeply.
Rumple the sheets —
find faces.
Breathe deeply.
It's 1950 and Mr.
Linkletter's on T.V.:
"What will you be?"
The dog's asleep.
In the piper plane
your mother's back
for her one visit.

Any Elephant

Any elephant's the same
elephant. As any dog's
the identical, dirty dog.
Platonic robins, ones
with a weight problem,
return you to youth.
The clock is stopped
by fixed form, the narrow
leeway of genes coded
for hunting or hope,
so that whole species
follow over and over
the exact acid dance.
Moths land on a white
wall thinking it's light.
A beetle, washed down,
drowning in the swirl
of a sink, will lock
its fierce jaws on water.

—John J. Ronan

continued on page 54

For Mises' Sake

by Tom G. Palmer

Is the Ludwig von Mises Institute worthy of its namesake? The continuing saga . . .

If anyone could defend the acts of Llewellyn Rockwell, president of the Ludwig von Mises Institute, it would have to be Ralph Raico. Ralph is an outstanding scholar and a fine writer. Indeed, in his well-written essay ("Mises and Monarchy," November 1997) I found only a few trifling

points of clear disagreement. For example, while I certainly have no quarrel with Raico's praise of Ludwig von Mises, I find him a bit harsh on F.A. Hayek. (Of Hayek's dedication of *The Road to Serfdom* to "the socialists of all parties," Raico asks rhetorically "but what socialist was ever brought over by it?" To judge from the influence of the book, it must have been many thousands: I have even met a number of them. Hayek may have demonstrated the truth of the old saying, "You can catch more flies with honey than with vinegar.")

My disagreement is with what is implied in Raico's essay. For example, I certainly bear no ill will toward either Mr. Otto Habsburg or toward his son, Mr. Karl Habsburg, and would never argue that either is obliged to apologize for the misdeeds of his ancestors. Not only do I not believe in inherited guilt, but I have much respect and admiration for the elder Mr. Habsburg, whom I heard some years ago in Vienna speaking on behalf of Austrian entry into the European Union. Mr. Habsburg quite gracefully ignored the bowing and scraping from the fawning monarchists in attendance, who preceded their questions with such terms as

"Eure Hoheit" or "Eure Majestat," and instead addressed only factual questions. (Though it might be noted that Mr. Habsburg described the European Union as the fulfillment of the "Great Austrian Idea" of European unity in one political system; the old "Austrian idea," of course, was for that political unity to be ruled by one family.) Despite my differences on the wisdom of the "Austrian Idea," I found the elder Mr. Habsburg quite likable. I suspect that his son may be an equally fine fellow. But that doesn't mean that I want to be ruled by them, unless, of course, the alternative were Hitler. I take it that that was what Otto Habsburg had discussed with Mises in 1942. Had I been alive then, I might well have been a strong supporter of replacing Hitler with a constitutional monarchy under Otto. Just as good republicans should be happy that Juan Carlos was King of Spain at the time of Franco's death, and therefore able to keep the country from plunging into civil war, good republicans would certainly have preferred a constitutional monarchy under anyone to National Socialist dictatorship. This

hardly cuts against my claim that Mises was a republican.

I should add that Ralph's praise of the reign of Franz Joseph — on the grounds that Jews were treated better under his nearly seventy-year reign than they were under the National Socialism that was imposed in Austria a couple of decades after the end of the Habsburg regime — is only made plausible because he sets the standard so low. When compared to Hitler, virtually *anyone* could be made to look good; even Franco, Mussolini, or the post-war communist rulers seem relatively benign when the standard of comparison is Adolf Hitler. As Ralph wrote in *The Libertarian Forum* of August 1975, in a critical review of the life of Winston Churchill: "This may well turn out to be the most enduring injury Hitler inflicted on humanity; that, besides causing the slaughter of so many, he permanently lowered the standards by which political conduct is judged, so that, compared to him virtually any other mass-murderer — except maybe Stalin — is seen to be as white as the driven snow." Franz Joseph was by no means the worst ruler Europe has ever seen, but point-

ing out that he was better than Hitler is pretty faint praise.

On the issue of republicanism I would consider as a republican anyone who advocates constitutionally limited, representative government and who did not append to that any role for a monarch. I have been unable to find in any of Mises' writings evidence that he was a monarchist. Considering

When compared to Hitler, virtually anyone could be made to look good; even Franco, Mussolini, or the post-war communist rulers seem relatively benign.

a constitutional monarchy to be superior to a murderous dictatorship hardly counts as evidence that Mises was not a republican.

Nor would I deny the role of certain members of the Habsburg family in staving off Turkish invasion of Central Europe after the collapse of the Hungarian monarchy at the Battle of Mohács in 1526 and the dynastic connection of the traditional Habsburg lands with the crown lands of St. Stephen. But as I recall, the last siege of Vienna was in 1683, and neither Otto nor Karl was there. Indeed the Emperor who drew Rockwell's praise — the autocratic Franz Joseph — came to power in December 1848, just in time to invite the Russian Tsar to invade Hungary, to annihilate the constitutional Hungarian republic, to undertake mass executions of the Hungarian leadership (rejecting even the Tsar's request for clemency for the brave Hungarian liberals) and to institute a period of foreign (Austrian) occupation that did not end until the Compromise of 1867 instituted the dual monarchy and restored a measure of constitutional rule to Hungary.

I was moved to ridicule Rockwell's articles, letters, and essays by his truly ridiculous claims about the Emperor Franz Joseph's being a patron of classical liberalism and of the Austrian school of economics. Ennobling the father of a future Austrian economist and decorating that economist (along with thousands of other human cannon

fodder) for battlefield bravery are, well, utterly risible when offered as evidence of a commitment to either classical liberalism or Austrian economics.

And why was I moved to spend twenty minutes writing about something that is merely absurd and risible? Perhaps it has something to do with a lecture I gave some years ago at Washington State University, after which I was introduced by the chairman of the department of economics to some graduate students whom he termed "our former Austrians." One might ask why the graduate students there called themselves "former Austrians." One name suffices to answer the question: Hans-Hermann Hoppe. Dr. Hoppe, leading light of the Ludwig von Mises Institute, had presented such a loopy, absurd and utterly unhinged picture of Austrian economics at a public lecture there, under the sponsorship of the Ludwig von Mises Institute, that those graduate students felt obliged to distinguish themselves publicly from such a strange and incomprehensible set of views. And I can certainly understand why they would feel compelled to do that. If Hoppe is the leading light of Austrian economics as the Mises Institute presents him, then Austrian economics should prepare for a long dark age. At George Mason University I saw Hoppe present a lecture in which he claimed that Ludwig von Mises had set the intellectual foundation for not only economics, but for ethics, geometry, and optics, as well. This bizarre claim turned a serious scholar and profound thinker into a comical cult figure, a sort of Euro Kim Il Sung.

Hoppe's scholarship is so pitiful that one of his own colleagues — who is still involved in the Mises Institute — once remarked to me that Hoppe's book on ethics was a truly remarkable achievement; it was the only book he had ever read in which every step of the argument was a logical fallacy. And Mark Skousen, in his introduction to *Dissent on Keynes: A Critical Appraisal of Keynesian Economics* (New York; Praeger Publishers, 1992), felt obliged to single out and strongly disavow Hoppe's cranky economic views. Skousen made subtle reference to the unreadability of Hoppe's screed,

which required extensive rewriting by Hoppe's friends at the Mises Institute, as well as to Hoppe's failure to understand fundamental Austrian economic principles, such as the role of time in economic adjustment. "As the editor of this volume, I have to admit that I do not agree with everything Professor Hoppe presents as Misesian economics, even in this significantly revised chapter. For example, I have serious doubts about his claim that market unemployment is 'always voluntary.' Certainly, permanent unemployment is always voluntary in the unhampered market, but a dynamic market is constantly generating temporary unemployment that requires time to correct." Skousen included the chapter by Hoppe only because he was threatened with legal action by Llewellyn Rockwell if he did not. One could go on with examples of how Hoppe and the Mises Institute have proven embarrassing to the Austrian economists by whom they claim to be inspired but what would be the point? Those who

Dr. Hans-Hermann Hoppe had presented such a loopy picture of Austrian economics that the "Austrian" graduate students felt obliged publicly to distance themselves from him.

have had contact with him know that Hoppe is an intellectual bully and an academic disgrace.

I was cautioned by a friend not to criticize Hoppe, on the grounds that one should never wrestle with a pig. I have not followed that advice. That may turn out to be unwise especially considering Hoppe's record for heaping abuse on those with whom he disagrees. I recall with great distaste witnessing Hoppe quite savagely attack Professor Don Lavoie of George Mason University at a meeting of the Mont Pelerin Society; in Hoppe's sustained rant, he said "I don't know what the world looks like when you're on LSD, but it doesn't look that way to me," with the clear insinuation that Don was a drug fiend, and that his paper was the result of a drug trip. My

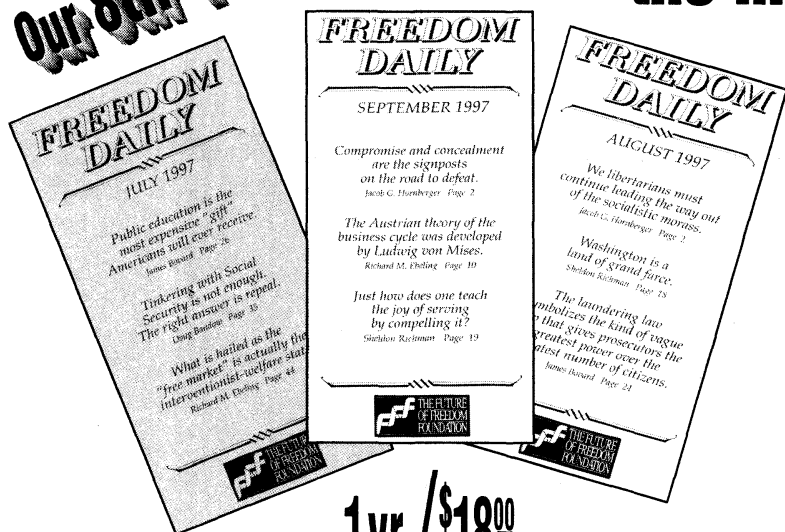
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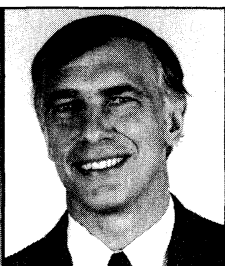
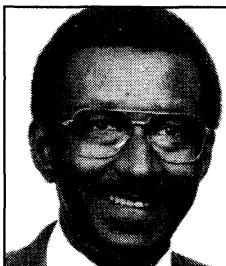
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Debate

Reasonable Expectations?

All things wise and wonderful, all creatures great and small, all expectations right and rational — did Robert Lucas remake them all?

The Flight of the Cuckoo

by Roger W. Garrison

"Business Cycles Aren't What They Used to Be — and Never Were." This article, penned by Gerald Sirkin a quarter of a century ago (*Lloyd's Bank Review*, April 1972), recognizes the uniqueness of each cyclical episode as well as the evolving ability of market participants to learn and to cope with change. Sirkin, an unsung precursor of the now-fashionable new classicism, draws conclusions similar to — though less sweeping than — those drawn by J. W. Henry Watson and Ida Walters in their "The New Economics and the Death of Central Banking" (*Liberty*, July 1997). According to Sirkin, "It is time for a major re-examination and rewriting of business-cycle analysis. . . . The eventual benefits will include redirecting our attention from the minor problem of government as a stabilizer to the major problem of government as a destabilizer, and the saving of the effort now expended on the hunt for the lost business cycle."

Ludwig von Mises was in print as early as 1953 with the kernel of truth in rational expectations (the idea that in making decisions, people use all readily available information). In the 1953 edition of *The Theory of Money and Credit*, he credited this important insight not to an economist but to

America's sixteenth president.

Here the famous dictum of Lincoln holds true: You can't fool all the people all the time. Eventually, the masses come to understand the schemes of their rulers. Then the cleverly concocted plans of inflation collapse. . . . [I]nflationism is not a monetary policy that can be considered as an alternative to a sound money policy. It is at best a temporary makeshift. The main problem of an inflationary policy is how to stop it before the masses have seen through their rulers' artifices. It is a display of considerable naiveté to recommend openly a monetary system that can work only if its essential features are ignored by the public.

Modern defenders of the Austrian theory of the business cycle have embraced Lincoln's dictum. But in light of the complexity of the market system, the Austrians have stopped short of the new classical conclusion that to anticipate monetary policy is to neutralize it.

Central to Robert Lucas's new classicism is the proposition that changes in the money supply have no systematic effect on the economy's performance — or, more broadly, that government economic policy simply has no important effect. This basic idea was an integral part of old classicism as well. One of the more rhetorically effective expressions of it takes the form of the parable of the cuckoo bird, as related in a letter from Nassau Senior to Lord Melbourne in 1852: "It is the old

story of the children who made a wall across the valley to keep the cuckoo in. They raised the wall just over the level of the bird's usual flight, and when they found that it just skimmed over the top they thought that if they had laid only another row of stones it would have been kept in." Although Senior's immediate concern was poor-relief leg-

By making much of the distinction between information that is and isn't "available" to market participants, rational-expectations theorists have smuggled in by the back door what they had ejected through the front.

islation, his story applies equally well to monetary policy. The message is clear: people — like cuckoos — can adapt to a changed environment.

The newness of Lucas's new classicism consists largely in the extremes to which he and others are willing to push this old idea. If expectations are sufficiently rational, so the argument goes, then the central bank has no power — except the power to create chaos. During periods of monetary expansions or contractions, resources will be allocated just as they always have been. From the outset, policy-induced distor-

tions in prices, wages, and interest rates are remedied on the basis of the "information" that market participants supposedly have.

Now, if new classical economists had actually shown that market participants have ready access to the information needed to neutralize government policies, their brand of economics would indeed constitute a "quantum advance." But rational expectations scholars merely *assume* that people's expectations are consistent with the models themselves. Lucas himself has characterized rational expectations as a "consistency axiom for economics."

In instances where this assumption (and the model in which it is embedded) actually reflects reality, new classicists can find some empirical support for their views. However, the claim that the assumption is *always* justified is supported by neither theory nor history. New classicism, for one example (and there are many others), has not and cannot offer a rational-expectations account of the stock market crash of 1987.

Like Lucas, Watson and Walters hedge their assumption about the information people have with the terms "available information" or even "readily available information." But hedged or unhedged, the proposition that monetary policy has no real effects is either trivially true or demonstrably false. To understand this point, remember that monetary policy influences the "price for money" — for example, by printing more money, central banks can (temporarily) lower interest rates, which in turn affect prices for all sorts of things. In the Austrian model, this is important precisely because prices are held to convey important information.

Now, new classical economists argue that the central bank is powerless because market participants have sufficient information to anticipate its moves and act accordingly. But this can be true only if the Austrians are wrong, and prices don't convey any important information. If, however, the Austrians are right, and market participants do indeed get important information from prices, then distorted prices will convey misinformation, and the misinformation will result in misallocations of resources. When it is credit expansion that is distorting prices, the period of

(unperceived) misallocations is the boom; the eventual discovery of the misallocations precipitates the bust; and the subsequent reallocations constitute the recovery.

By making much of the distinction between information that is and isn't "available" to market participants, rational-expectations theorists have smuggled in by the back door what they had ejected through the front. For example, Lucas's "monetary-misperception" theory of the business cycle is similar to both monetarist and Austrian theories. All three theories hold that people initially respond to

*Our politically attuned
Federal Reserve will continue
to exploit its power to fool into
the foreseeable future.*

inflated prices as if market demands had actually increased, but eventually take inflation into account and adjust their behavior accordingly. But the sequence of boom and bust in Lucas's theory hinges on the distinction between "local" information (instantaneously available, consisting of actual prices that market participants face) and "global" information (available but only with a lag, consisting of information about changes in the money supply). Lucas claimed that as soon as people had access to the delayed information, the market would immediately neutralize the effects of changes in central bank policies. But this claim has failed numerous empirical tests. Although not all information about the most recent actions of the Federal Reserve is instantaneously available, the actual information lag (a few weeks at most) is not nearly long enough to account for subsequent changes in the economy. New increases in the money supply have consequences that persist well beyond the time that all the relevant information about Fed policy becomes available.

Because of its inability to account for this persistence, the monetary-misperception theory has given way to so-called real business cycle theory, a theory in which money plays little or no role — and which tries to explain

cycles by explaining why they don't exist.

The New Interventionists

Remember that rational expectations is not a macroeconomic theory in its own right; it is rather an assumption about expectations that takes on a specific meaning only within the context of a particular macroeconomic theory. And though Watson and Walters insist that "rational expectations scholars have utterly demolished business cycle theories used to promote government 'fine tuning' of the economy," a resurgent "New Keynesian" school now combines faith in rational expectations with acceptance of the business cycle. According to this school, unemployment is caused by "rational" rigidity of wages and prices — and can be alleviated by government intervention in the economy. New Keynesians can take rational expectations as an axiom, yet argue, for instance, that a monetary stimulant can drive a slack economy to full employment in short order. (Rational expectations simply cause what were once considered long-run consequences — in this example, the consequences of an increase in the money supply — to be realized virtually instantaneously.) Watson and Walters claim that Lucas's version of "rational expectations" has cleared the field of all competitors, but the unhappy truth is that New Keynesianism has dominated scholarly discussion for several years now.

Although Lucas respectfully acknowledges Hayek's writings on the price system as a communications network, he overlooks Hayek's critical distinction between "two kinds of knowledge" — the kind that is communicated by prices and hence is "available to market participants" and the kind that isn't. The "particular circumstances of time and place," known firsthand by one or a few market participants, are communicated to others through price signals. This entrepreneurial knowledge stands in contrast to theoretical knowledge, or knowledge about the structure of the economy. Hayek would concede that the two kinds of knowledge are not wholly separate. For instance, the development of markets for derivatives, such as options, owes much to the blending of

entrepreneurial and theoretical knowledge. If Watson and Walters's point were merely that financial markets are better developed now than before the advent of modern portfolio theory, then there would be little objection.

From a macroeconomic perspective, however, there is a fundamental objection. In Watson and Walters's view, to neutralize central banks' power, people have to understand and implement the correct monetary theory. But Watson and Walters's self-assured assessment notwithstanding, opinion as to what theory is correct remains divided. Moreover, the price system itself does not tell market participants which theory (say, Austrianism, monetarism, or Keynesianism) is correct. It doesn't even tell economists which theory is correct (hence the continuing debates). And if different market participants are attempting to compensate for central banks' actions on the basis of mutually contradictory theories, the collective effect of their actions could hardly be expected to nullify policy-induced distortions.

It is true, of course, that the more government meddles with the money supply, the more worthwhile it is for at least some market participants to try to learn something about macroeconomics and monetary theory. The increase in theoretical knowledge possessed by

Even a rational market participant can be fooled.

entrepreneurs (with different ones learning different things) helps to make each cyclical episode different from the one before. In no case, however, will the level of knowledge be so complete as to preclude the possibility of further cyclical variation.

For some time now, new classicism has sustained itself on the basis of its "rhetoric of rationality." Dissenters are seemingly put in a position of arguing that market participants are irrational or, at least, non-rational. Bolstering this rhetoric is the notion that "being fooled," say, by a distorted rate of interest, implies "being a fool." Lucas is portrayed as standing up for the common market participant and proclaiming him rational and no fool. But even a

rational market participant can be fooled — as the full statement of Lincoln's dictum recognizes. Mises recognized it; Hayek recognized it; and Friedman recognizes it. "The Death of Central Banking" is not imminent. Our politically attuned Federal Reserve will continue to exploit its power to fool into the foreseeable future. It would not be rational for Alan Greenspan to abdicate on the basis of new classical musings. To believe it wouldn't matter if he did — or to believe that new classicism might otherwise euthanize the central bank — is evidence that the believer himself is the one being fooled. □

The Dollar Unanchored, Free-Marketry Amok

by Leland B. Yeager

In *Liberty's* July issue, J. W. Henry Watson and Ida Walters announce "the death of central banking." They mock the Federal Reserve. Though it is fairly easy to imagine alternatives to the Fed, Alan Greenspan and his colleagues have been doing a pretty good job in recent years. In their paean to "rational expectations," W&W missed the crucial point of monetary theory and policy.

Every monetary system needs a "nominal anchor" for its unit of account to be determinate. This means that our dollar, for example, should have a constant value or purchasing power, instead of a value that drifts down (or up) unchecked, or, worse, that drifts in a self-reinforcing way. Either of two broad approaches can provide an anchor.

First, the dollar could be defined as a definite amount of some commodity or basket of commodities, with two-way convertibility giving this definition teeth. Before 1933, the government in effect stood ready to buy and sell gold at \$20.67 an ounce.

The second approach fixes or manages the dollar size of some aggregate magnitude, most plausibly the total quantity of money (somehow defined). The Federal Reserve tries to keep the quantity of money nearly equal to demanded holdings of money at a stable or not-too-rapidly rising price level. Nowadays it tries to accomplish this feat indirectly, using a target level of the

Federal funds rate as its immediate guide to injecting and withdrawing the "base" money that it itself creates.

W&W make much, properly, of the "discipline" that financial markets impose on governments nowadays. But free-floating discipline is not enough. Discipline requires a point of application. How can it work, then, if the Federal Reserve has become impotent and irrelevant? W&W suggest it has by likening the Federal Reserve to a little girl exulting in her control of a toy car even though its steering wheel is unconnected to the drive train. A cartoon on *Liberty's* cover shows Alan Greenspan in just that position.

True enough, the Federal Reserve lacks the powers over production, employment, and real economic growth that ill-informed kibitzers imagine. It can, however, either guard or neglect the value of the dollar. It can either avoid or carelessly inflict severe monetary disturbances, as it has in the past, with serious consequences for the real economy. W&W's caricature denies or trivializes this power.

Suppose, though, that their caricature is valid. What, then, does give determinacy to the dollar's value? Have W&W forgotten this question? (As trained economists, they can hardly have failed to encounter it.)

What Kind of Monetary System?

By their dismissal of central banking, W&W raise the question, whether they realize it or not, of what type of monetary system we want. Separately in the same July issue of *Liberty*, Bruce Ramsey and Robert Higgs do face that question. Ramsey slides from a correct understanding of gold-standard history into actual contentment with today's managed but undefined fiat money. Higgs evidently feels nostalgia for the gold standard, but he doubts the possibility of either instituting a full-fledged gold standard or restoring the historical standard.

So what do we do? Ideas and technology are available nowadays for a private-enterprise system that would provide money of stable purchasing power and avoid the monetary disturbances of the past. Free banking is possible on the basis of a dollar defined by a broad basket of goods and services. Competition would compel issuers of

banknotes and deposits to keep their issues redeemable, indirectly, in whatever quantities of some convenient redemption medium were actually worth, at free-market prices, as many standard baskets as the number of dollars denominating the money presented for redemption. Supplies of money would accommodate themselves to demands to hold money at the stable price level corresponding to the dollar's definition. Here is not the place to explain further. My point is that W&W, in mocking the Federal Reserve, raise an issue — determinacy — that they show no sign of understanding.

Financial Innovations and Economic Theory

But there are deeper problems. W&W hail innovations in financial instruments and markets that have cut transactions costs and improved opportunities for shifting risks of price, interest-rate, and exchange-rate fluctuations onto specialists most willing and competent to bear them (and even for making opposite risks cancel each other out). Economic theory and high-powered mathematics contribute to these innovations. So far so good.

Not so good is Watson and Walters's emphasis on "rational expectations." In its most acceptable version, this is the idea that in making decisions and forming expectations, people use all information available at costs worth incurring. They learn from experience and will not persist in the same old mistakes. They learn, for example, to anticipate what the government will do in a recession, thereby keeping its measures from having the effects intended. This idea, applied to government antirecession policy in particular, is called the "invariance proposition."

All this has implications for how markets work and whether forecasts are possible. Since an asset's price already incorporates all the information people think is worth acquiring, the price moves unpredictably, in a "random walk," as unpredictable new bits of information arrive. Perhaps so. Yet the information relevant to traders in financial markets includes even information about other traders' changeable moods, moods that sometimes give rise to herd behavior. Furthermore, people

keep on demanding, taking seriously, and paying for forecasts of interest rates, exchange rates, and the stock market. How does all this square with the postulate of extreme rationality?

Macroeconomics in General

The ideas praised by W&W have spread from finance into macroeconomics more broadly. "New classical" economists ("Lucasians," as critics sometimes call them) slide from rational expectations to the notion that markets are always in equilibrium, supply and demand always in balance, and the plans of transactors and would-be transactors perfectly meshed. Well, markets are balanced enough to require analysis as if they were always in equilibrium. After all, if supply and demand in some market were to go unmatched it would mean that people are irrationally throwing away gains from trade!

This view disregards the complex interdependence of myriad separately determined prices, including wages. It disregards this and other reasons why individually rational behavior leaves many prices "sticky," and sometimes stuck at disequilibrium levels. When necessary to defend their claims, new classical theorists shift from the standard concept of equilibrium as market-clearing to what Thomas Sargent admiringly called "fancier" and "much more complicated" notions of equilibrium. Some Lucasians profess not even to understand what involuntary unemployment means. (Unlike W&W, I thought that the vogue of this equilibrium-always macroeconomics had peaked by now, and even before Robert Lucas won his Nobel prize.)

W&W call received approaches to business-cycle theory obsolete. Lucas's invariance proposition guts theories of the cycle and of governmental reme-

dies. (Seeing no way to remedy some condition, however, does not imply its unreality. Compare a physician counseling a patient to "learn to live with" some chronic ailment.) Referring to improved opportunities to hedge and otherwise protect oneself against macroeconomic disturbances, W&W come close to implying that the business cycle is no longer anything to worry about. With rational-expectations researchers, they "see business cycles as the market's efficient way of coping with changed circumstances." What look like

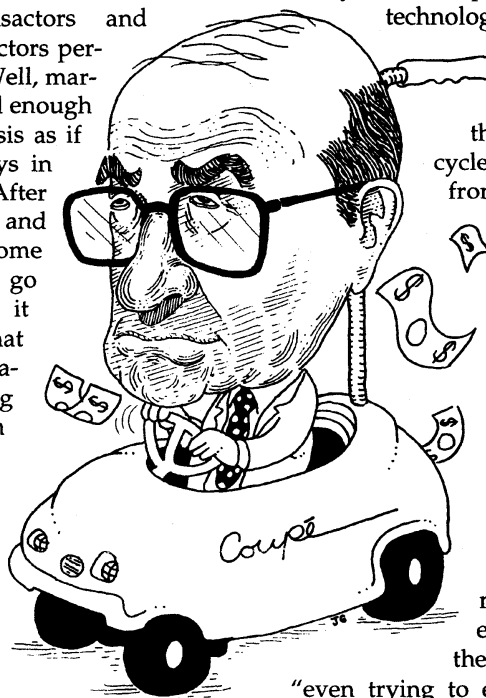
cycles are optimal adjustments to technological or other real developments.

W&W even speak respectfully of the theory of "real business cycles," which has evolved from Lucasian ideas. This kind of theory, as I read the literature, has also passed the peak of its vogue, degenerating into an "epicycles" stage reminiscent of Ptolemaic astronomy.

Even if — implausibly — no future recessions will need explaining, episodes of the past remain. Yet "even trying to explain the causes of individual booms or recessions is without value" for W&W. Do they really see no point in trying to explain the Great Depression of the 1930s, the serious economic relapse of 1937–38, or the so-called Volker recession of 1981–82? Do they agree with Henry Ford that history is bunk? But if past episodes are to be understood and lessons perhaps drawn, shouldn't we try to get the macroeconomics straight?

Major Defects

W&W overwork the idea of rational expectations. People do tend to learn from their past mistakes, sure, but how fast and after how much repetition of error? "Eventually" is not soon enough to be meaningful. How fast do people learn and make allowance for the patterns, if there are any, in government policymaking? How definite does the



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concept of using all available information remain after provisos are tacked on about the pecuniary and nonpecuniary costs of acquiring, absorbing, and employing information? The proposition about people's behaving and forming expectations rationally threatens to dissolve into tautology.

A whiff of tautology also hovers around describing markets as "efficient" and even as "fair." These are tech-

Watson and Walters do not squarely argue that their brand of macroeconomics best fits the real world. Instead, they trumpet a "revolution in economic theory," observe that a couple of its component ideas are profitable in the world of finance, and invoke the names of Nobel prize-winners.

nical terms, associated with notions of prices incorporating all available information and moving in a random walk. Yet W&W use these technical terms with overtones of evaluation and praise.

The strands of "new classical" economics that they admire are partly the products of academic gamesmanship and frontiersmanship — self-congratulation on working at the supposed frontiers of scientific research. (I doubt, though, that W&W have themselves been so motivated.) An academic field can acquire a dynamic of its own that promotes what Peter Bauer has called "the disregard of reality." Reliable facts and well-supported theories offer an ambitious academic little scope for demonstrating his own cleverness; he must move on to what is new and fashionable and amenable to embroidery. Methodological preaching enters into pursuing and vaunting supposed prestige. In this vein, W&W say that critics of rational expectations find themselves left "largely without even the tools required to participate in the discussion."

W&W do not squarely argue that their brand of macroeconomics best fits the real world. Instead, they trumpet a "revolution in economic theory." They

observe that a couple of its component ideas are profitable in the world of finance. They invoke the names of Nobel prize-winners. Their favorite ideas have become "a part of the core curriculum at top graduate economics and business schools." They engage in name-calling, likening their macroeconomics to a Dodge Viper and rivals to a Ford Model T. Their favorite ideas help cause the "ultimate frustration for the aging Keynesian."

Not only the academic game but also a desire for particular policy conclusions sometimes drives new-classical analysis. The ideologies in vogue in departments of economics have changed dramatically since I began teaching several decades ago. Nowadays, in certain circles, doubting the near-perfection of markets is thought backward and ignorant. Free-marketry runs amok. W&W repeatedly sneer at "statist critics" of their favorite macroeconomics.

But the final analysis is that W&W and the other new classicals argue the case for open markets and a free society badly. Their flawed economics impedes understanding of how the world really works and might possibly be reformed to work better. □

The Ends and Means of Central Banking

by J. W. Henry Watson & Ida Walters

The lengthy responses to our article by Roger W. Garrison and Leland B. Yeager are most remarkable for the issues they don't address. The first issue, of course, is the implications of the "Lucas critique" for Austrian and other traditional macroeconomic theories. (Macroeconomic theories that assume irrational or unchanging expectations "fail" the Lucas critique.) Garrison and Yeager dance around this debate, but never join it. And for good reason. The traditional theories assume that all the people are fooled all the time and in exactly the same way. Even Garrison, in his retelling of the "flight of the cuckoo" story, recognizes that this really isn't plausible. Garrison and Yeager are in the position of a homeowner who responds to his house collapsing by admiring the utility of random bricks plucked from the rubble.

New classical economist Tom

Sargent's work on hyperinflations (referred to in our article) provides powerful support for the importance of expectations. His study finds that ending hyperinflations varies greatly depending on the credibility of the monetary authority. There is simply no predictable relationship between changes in the money supply and economic activity — absent an understanding of expectations.

The second topic which Garrison and Yeager do not address is the remarkable success of efficient markets theories in both advancing our understanding of financial markets and improving their operation. Given the success of these theories, a major point of our article is the inevitability of rational expectations business cycle theory. The closest either author gets to a criticism of the efficient markets literature is Yeager's comment that traders use all kinds of information in determining prices. The same could be said of the orange market, but does that make it inefficient?

Garrison and Yeager totally misrepresent the invariance proposition. Garrison claims that Lucas maintains "that changes in the money supply have no systematic effect on the economy's performance" and "that government economic policy simply has no important effect." In fact, Lucas and his fellow new classical economists say nothing of the sort. What they say is that unanticipated changes in the money supply are likely to have significant effects on the economy's performance and that those effects will be systematically related to expectations. In fact, Lucas and many of his colleagues are greatly concerned about government power precisely because unanticipated government actions can cause serious business cycle fluctuations. And, of course, it goes without saying that taxes, regulations, and other government actions can, quite apart from business cycles, seriously damage the economy.

Garrison and Yeager also appear bent on misunderstanding the article's title. "The End of Central Banking" is not a phrase we would have used in the title (but we were sympathetic to *Liberty's* choice as we watched the magazine fly off the shelf at the local Borders). However, the title is absolutely accurate in that the central bank is unable to steer the economy with any

sort of predictable result. In other words, the central bank cannot "fine tune" monetary policy to achieve targeted rates of growth, production, unemployment, exchange rates, or interest rates. Of course, Austrian and monetarist theories would support this conclusion. The Austrian and monetarist theories differ in that they claim that the central bank does have the power to create predictable responses in the economy through various changes in monetary policy. As our article noted, however, there is a new element in the increasing impotence of central banks to reap "benefits" from unanticipated changes in the money supply. In years past, a rapid increase in the money supply might have produced some short-term benefits (revenue from printing money, a temporary increase in economic growth, a temporary reduction in unemployment) that lasted two to three years. Now, the benefits of gunning the money supply, if any, last two or three months.

We certainly agree with Yeager that the central bank "can either guard or neglect the value of the dollar" and "either avoid or carelessly inflict severe monetary disturbances." In fact, notwithstanding the cartoon of him that accompanied the article, we are great admirers of Alan Greenspan and deeply doubt that he views his job as "steering" the economy in one direction or another. He is the first Fed chairman to see his main (and virtually his sole) job as preventing the Fed from making unanticipated changes to the money supply and thereby creating economic disruptions. We also understand that the dollar is not about to disappear and that this means that it serves as the "nominal anchor" of the monetary system.

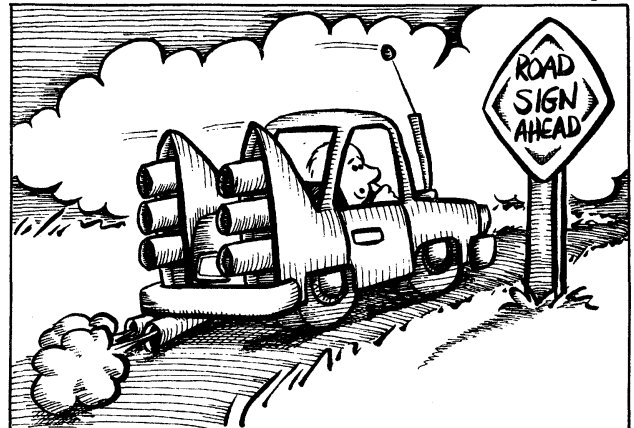
As far as their criticisms go, both Garrison and Yeager seem to be intent on committing as many logical errors as possible. For example, Garrison seems to think it's a criticism of the new classical economics that the latest breed of interventionist economists base

their models on rational expectations. Of course, the so-called "New Keynesians" didn't come to this happily. It's simply that the case for rational expectations has proven so powerful that interventionists can't even get a hearing if their models fail the Lucas critique. Actually, history's repeating itself here. Mises' work in the "socialist calculation" debate forced the socialists to acknowledge that an efficiently functioning free economy is the standard by which all economies should be judged, and it should be the standard used in making socialist calculations. In both cases, the socialists had to effect a major retreat.

Yeager seeks to refute new classical economics by noting that some of its practitioners may be more interested in advancing their academic careers than in the pursuit of truth. Oh? What has the motivation of the scientist to do with the truth of his findings? Actually this criterion would consign every field of research to oblivion. Then there is the inconvenient fact that many of the new classical and finance scholars are dedicated supporters of free markets and free people.

He then goes over the top by deriding those who believe in the "near perfection of markets" as devotees of "free markets run amok." Does he believe that free markets work poorly? Didn't we hear similar attacks on Mises and Hayek by their socialist critics? Actually, Yeager's response is both distressing and familiar: adherence to the old order by those who'd rather stick with their repudiated ideas than advance the understanding of economics or the cause of liberty. □

YOUR TAX DOLLARS AT WORK



SHCHAMBERS

Palmer, "For Mises' Sake," continued from page 46

own little note in *Liberty* was described as follows in the Mises Institute newsletter: "Few writers today can match the anti-Habsburg rantings of Lenin, Wilson, and Hitler, but just by renewing the ties between the Austrian School and the Habsburgs we drew a hysterical attack from a D.C. partisan."

The implicit comparison with Lenin, Wilson, and Hitler was bad enough, but what is a "D.C. partisan"? Does that mean that I lunch regularly with Hillary Clinton, or that I spend my time at the World Bank, plotting the world's financial ruin? I can only guess at the vituperation and slander that

Hoppe and Rockwell must be preparing for me, as well as for anyone else who might voice doubts about their bizarre cult.

Poor Ludwig von Mises. He was a great man and a profound thinker. To have the likes of Hoppe and Rockwell as disciples is a sad fate. □

Timberlake, "Free-Market Money," continued from page 44

banal, but were unheard of and unanticipated just a few decades ago. Why should we think that we must ever know where freedom in the marketplace will take us? All we need to know is that the freedom is there, that individuals can choose — can accept or reject without question the things offered in markets. If this option included money, we would have money of as good quality as computers and automobiles, and even more important we would have freedom itself.

A secure and viable monetary system must include, first, *readily available gold* for those who want it; second, a *frozen stock of limited legal tender government paper money*, for those who wish

to continue to use conventional money; third, *free private competitive enterprise banking* for the production of common money, which would be redeemable in whatever was mutually acceptable to banker and client; and fourth, *privatized Federal Reserve Banks* that operate a clearinghouse system. The quality of money in use, if not perfect, would become as good as innovative man and woman could devise.

The reforms outlined here are simply a free market solution to the uncertainty and chaos that today's statist systems have engendered. They reflect the practical wisdom from experiences with gold money and free banking, and retain a frozen stock of government-issued paper currency. All of the

changes I have suggested are technically simple and could be put in place by any political body without any undue stress in financial markets.

Money came into the ancient world through individual initiatives 3,000 years ago and has been abused and debased by state management ever since. Surely we can learn from this experience that the state and money are a combination toxic to stable money, private property rights, and individual freedoms. So let's do at least as well as our primitive forbears by fostering the rules and conditions for a viable monetary system that finally gets the state out of an activity that was none of its business in the first place. □

Armentano, "The Fight for Medical Marijuana," continued from page 37

drug-law reform proponents resurrected a provision allowing doctors to prescribe marijuana pending a public vote in November 1998. However, because this provision is in direct conflict with federal law, it is unlikely that Arizona patients will have legal access to the drug. Proposition 200 may allow patients to make an affirmative defense of "medical necessity" if they are facing state marijuana charges.

So far, threats from the federal government to arrest patients who use marijuana and physicians who recommend it as authorized by California's or Arizona's new laws have proved hollow. Federal officials did question at least one physician for allegedly recommending his patients use marijuana medicinally, but so far have taken no further action. Raids on at least two above-ground California Buyer's Clubs were executed by federal officials in the past year. No arrests were made in the first raid, but charges are pending after

the October 8 bust of a Sacramento club. The latter raid and subsequent arrests of the proprietor and two employees may signify a shift in federal policy — from rhetoric to action — but only time will tell. At this point, it still remains unlikely that federal officials will intentionally target specific medical marijuana patients or physicians. Local and state law enforcement will most likely continue to be the primary enforcers and interpreters of state medical marijuana laws.

State voters and legislatures continue to address the issue of medical marijuana and move the topic forward. In 1997, ten states introduced laws endorsing medical marijuana. Medical marijuana proponents anticipate more endorsements in 1998. Signatures are currently being gathered to place narrowly focused medical marijuana initiatives on the 1998 ballot in at least seven states. The passage of future initiatives is crucial to keep the battle for

medical marijuana an issue of national importance. Depending on the number of successful initiatives in 1998 and 1999, the government may take a serious look at rescheduling marijuana to Schedule II to legally allow for its medical use by the year 2000. Until then, states, medical marijuana activists, and medical organizations will continue to lead the charge toward additional research and limited legal access. □

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The Devil's Reading List

by Stephen Cox

In the opening pages of Mikhail Bulgakov's novel *The Master and Margarita*, two Soviet hack writers are discussing religion. An irritating stranger interrupts them. This man is a foreign "professor" of some kind, and he is amused by their naive atheism. After brief discussion of six old-fashioned proofs of the reality of the supernatural world, the stranger reveals a seventh proof — his own identity. The professor is, in fact, the Devil; and if the Devil exists, then God must also. This seventh proof turns out to be conclusive.

Bulgakov's story has some relevance to current disputes among critics (or, more accurately, professors) of literature. The believers are at war with the atheists. The believers affirm the existence of a world of literary miracles, of Sophocles and Shakespeare, *Beowulf* and Virginia Woolf; a world of literary genius, to use the old, semireligious term. The atheists — who are, just now, in the ascendant — do not agree. For them, there is no sacred realm of "literature." There is only "writing," and any claim that some of it should be "canonized" or even "privileged" above other products of "cultural work" and "social construction" is evidence that the claimant is unsophisticated at best, bigoted at worst.

But atheism always reckons without the Devil.

The Devil recently appeared to me, disguised as an author. It happened while I was reading a book called *The Truth about the Titanic*, by

Colonel Archibald Gracie. Colonel Gracie survived the *Titanic*, but he did not succeed in rescuing his prose style. Consider his way of evoking the moment when it occurred to him that he was about to be drowned:

When I first saw and realized that every lifeboat had left the ship, the sensation felt was not an agreeable one.

A charitable reader will want to construe that strangely understated sentence as a daring display of irony, an attempt at using black humor to emphasize the existential horror of the human condition. If you have this charitable impulse, read on.

No thought of fear entered my head, but I experienced a feeling which others may recall when holding the breath in the face of some frightful emergency and when "vox faucibus haesit," as frequently happened to the old Trojan hero of our school days. This was the nearest approach to fear, if it can be so characterized, that is discernible in an analysis of my actions or feelings while in the midst of the many dangers which beset me during that night of terror. Though still worse

and seemingly many hopeless conditions soon prevailed, and unexpected ones, too, when I felt that "any moment might be my last," I had no time to contemplate danger when there was continuous need of quick thought, action and composure withal.

By this point, there can be no doubt. Colonel Gracie is not a master ironist. He is, quite simply, a dreadful writer. He has tempted his readers with a magnificent story, the agony of a great ship and the multitudes of people who trusted their lives to her, and he has betrayed those readers basely. Colonel Gracie is an almost supernatural revelation of how bad a writer can be — a literary Devil incarnate. Let fashionable theorists argue that literary judgments are social constructions that can never attain universality; the theory is irrelevant to the experience of Colonel Gracie's work. No one, of any race, class, gender, political persuasion, or sexual orientation, can possibly regard Gracie's sentences as appropriate to their subject. The achievement of his writing transcends every social context and expectation. It is a miracle of incompetence.

Of course, Colonel Gracie's accomplishment is not unique. Many similar miracles have been seen, each one a sign and element of something larger and more menacing: a Devil's reading list of transcendent literary failures, an assemblage of verbal horrors intruded upon our world to desolate the very act of reading. The existence of such a Satanic library, once demonstrated, would suggest that the believers in a canon of transcendent literary greatness were right after all. If we can identify a countercanon, why should we doubt our ability to identify a canon?

But there are two ways of reacting to a miracle. One is to grant it the full force of evidence, to receive it as proof of a supernatural or at least a supernormal realm. Ever since the Greeks canonized Homer, this has been the more or less established view of literary genius. The second way of reacting to a miracle is to deny that it is one, to describe it as an illusion that can be sufficiently explained by investigation of all the wires, smoke, and mirrors that can be detected in its vicinity.

This is the work of demystification pursued by today's cultural theorists — neo-Marxists, New Historicists, and practitioners of "cultural studies." They have little trouble discovering the social machinery out of which literary gods are made to appear. Every author comes from some social class and has some kind of sexuality and ethnicity; every reader does, too. Demystifiers can therefore argue that judgments of high literary quality are determined by the barely hidden influences of such factors as these.

According to this plausible explanation, texts that get to enter the literary canon are those that succeed in performing, or usefully obscuring, the ideological work of some dominant group. These texts become the stuff of syllabi and are imposed upon the young as devices of discipline and internalized moral surveillance. Other texts are "marginalized." A very little research can reveal the ways in which *Uncle Vanya* ministered to the needs of one cultural group, and *Uncle Tom's Cabin* to the needs of another. Both works pleased, and both endure (if endurance is the point). Why should one be exalted as an expression of universal literary values, and the other be slighted as a mere social document?

It is fair to emphasize the fact that arguments like this originate with academics, people whose own reading habits are strongly influenced by the membership requirements of their social and professional group. When one's daily work consists of wading through nineteenth-century texts in search of genderings and hegemonies, one can easily begin to regard all writing as a form of social discipline. Enmeshed in the solemn business of making a living, one can easily lose one's sense of how very bad, how terri-

Like the canon of great writing, the countercanon of illustriously bad writing is immense and free; it knows no boundaries of social class or historical period.

ble, in fact, some writing can be, how far it can lie from anything that might deserve a better name — like "literature."

The usefulness of this sense is too often neglected, even by academic exponents of canonical literature. In *The Western Canon*, Harold Bloom, a stalwart exponent, argues that demystifiers of literary greatness ought to be daunted by the example of Shakespeare:

Either they must deny Shakespeare's unique eminence (a painful and difficult matter) or they must show why and how history and class struggle produced just those aspects of his plays that have generated his centrality in the Western Canon.

Bloom might have argued even more effectively that the demystifiers ought to be daunted by Colonel Gracie. Professional readers are no longer surprised by Shakespeare; they are no longer surprised by his ability to use such simple tools as "Nothing will come of nothing" to make the whole problem of existence materialize out of the mists of an imaginary domestic dispute. Such achievements are taken for granted. But Colonel Gracie does something more startling than Shakespeare: having actually witnessed one of the world's most interesting events, he

tries, with a series of pompous phrases, to *make something out of it*. The difference between Shakespeare and Colonel Gracie is signally important, but it manifests itself as nothing more than a slight, purely literary distinction — a distinction that is far too fine to be stamped on them by the enormous dies of "history" and "class."

History cannot explain why the subject that wrecked Archibald Gracie should have enabled Thomas Hardy to write his greatest poem, "The Convergence of the Twain." Nor can history explain all the strange ways in which authors differ from themselves; it cannot fathom the diabolical ingenuity with which people who have once attained the Valhalla of the canon contrive to escape from it.

History cannot explain why *Babbitt* remains alive in almost every sentence, while *Gideon Planish* (another Sinclair Lewis satire of the bourgeoisie, and just as loaded with social "textuality," for those who like such things) can lie as quiet as the tomb from page one onward. History may suggest some reasons why William Wordsworth got interested in capital punishment, but it cannot come to grips with the miraculous wrongness of his decision to write a series of poems in favor of it — a series of sonnets, of all things, and bad sonnets, too:

See the Condemned alone within his cell
And prostrate at some moment when
remorse
Stings to the quick, and, with resistless
force,
Assaults the pride she strove in vain to
quell.
Then mark him, him who could so long
rebel,
The crime confessed, a kneeling Penitent
Before the Altar, where the Sacrament,

and so forth. No politics will distort our judgment; these are verses that not even a friend of capital punishment could love. Nor is there any reason why even reactionary politics should be incapable of inventing a few pungent phrases. Well, Wordsworth's powers "decayed." No doubt; but that is just another way of saying that Wordsworth started making ridiculously bad literary choices, choices that fell unerringly on trite and cumbersome expressions.

Like the canon of great writing, the countercanon of illustriously bad writ-

ing is immense and free; it knows no boundaries of social class or historical period. Its existence was recognized almost as soon as the existence of the canon itself. It was studied by Aristophanes in *The Frogs*; its further progress was analyzed by Alexander Pope in *Peri Bathous*, subtitled *Of the Art of Sinking in Poetry*. Among Pope's many splendid samples of this art we find:

Ye Gods! annihilate but *Space and Time*,
And make two Lovers happy.

Critics were slow to realize, however, that both the canon and the countercanon are open to every kind of authorial enterprise, not just attempts at Olympian poetry. Canonical achievements can be found in every literary genre, their stature always emphasized by the deep, contrasting shadow of the countercanon.

Mary Chesnut, the diarist of the Civil War, wrote in what scholars used to call a minor genre, but she transformed everything she touched into

Really bad writing usually results from perfectly innocent motives. One of the most disastrous is the desire to achieve true literary distinction.

something major — even other people's bad, bad writing. "Today," she writes,

I saw a letter from a girl crossed in love. It was shown to me and my advice asked. Her parents object to the social position of her fiancé, in point of fact forbid the banns.

She writes, "I am *missereable*." Her sister she calls a "mean retch."

For such a speller I said a man of any social status would do. They ought not to expect so much for her. If she wrote her "pah" a note, I am sure that "stern parient" would give in.

I am miserable, too, today — with one s and one l.

Give Chesnut a few misspellings, and she will give you back the entire social comedy, including her own performance as ironic self-observer.

Contrast Mrs. Chesnut with a contemporary diarist, Andy Warhol, who had access to considerably more glam-

orous material than the lives of the Confederate upper-bourgeoisie. Warhol's diary, as originally dictated, was 20,000 pages long, but his editor has obliged posterity by cutting it to a mere 800. In reading these pages, one constantly has to remind oneself that the editor was looking for the best four percent, not the worst.

True, Warhol deserves some credit for his complete lack of pretentiousness, even in his loftiest moments of speculation:

How do these doctors really feel about sick people? Do they care about you and really want you to get better or is it just a business? I mean, I think about doing portraits and do I really care if they look good or is it just a job? And that's just a superficial thing — it's not life and death.

But the most memorable feature of the diary is Warhol's constant ability to turn something interesting into something boring and trivial. No subject escapes:

Leonard Bernstein was there, and he cried. He always cries. He's such a weirdo.

Poor Earl Wilson must have had a stroke. He was there and he can hardly walk, he just sort of scratches his feet along the ground, so I guess that's why he's not doing his column so much anymore.

Something strange happened, I thought Jon was trying to kill me. We were on a snowmobile and he pushed me over a cliff. I thought he did it on purpose. But somehow there were trees there and I fell off into a deep snow. We rode to the house, that was fun, but I didn't realize till I got back how scary going off the cliff was. Then it sunk in what had happened. So I confronted Jon, and he told me I was just being crazy and I was relieved.

So much for the mysteries and dangers of life.

Since Aristotle's time, works have been admitted to the canon because they brilliantly fulfill the potential of their genres. What is looked for in the countercanon, however, is reckless defiance of a genre's demands and expectations. Authors worthy of countercanonical recognition are the kind of carpenters who insist on making chairs that you can't sit in and tables that you can't put objects on; and they do so

without conveying any zen or dadaist intimations that might register favorably in the genre of theory.

The fundamental requirement of horror literature (to cite the example of one genre) is scary words in scary places. In *Dracula*, or parts of *Dracula*, Bram Stoker managed to provide such words. But in *The Lair of the White Worm*, he produced a book that is as

The diary's most memorable feature is Warhol's constant ability to turn something interesting into something boring and trivial.

unscary as a book can be, unless you are frightened by horrible writing. The plot idea is provocative, though daft: the hero, Adam Salton, discovers that his neighbor, Lady Arabella March, is actually a very large, very ancient, and very ill-tempered snake, a snake that would just as soon kill you as look at you. Oddly, this situation inspires little more dramatic action than would the discovery that Lady Arabella was a Christian Scientist. Adam complains that the serpent's "want of principle" reminds him of "a suffragette," but he is willing to take friendly strolls with her and visit her for tea. Ah well; as he says, who would have "thought this fighting an antediluvian monster was such a complicated job"? The novel — so long, so dull, so insupportably priggish — is hard to explain except on the hypothesis that Stoker was obsessed with a Satanic desire to make nothing come of something.

Really bad writing, however, usually results from perfectly innocent motives. One of the most disastrous is the desire to achieve true literary distinction. The canon of great writing is, indeed, a dangerous thing; it has tempted many a hapless victim to self-destruction.

A particularly sad instance is Frances Newman, a once-prominent novelist who is now ignominiously disregarded. Newman was witty and well-read, she had a wide acquaintance among other writers, she was ambitious for literary achievement, and she knew exactly what she wanted to do.

She intended, as she told her publisher, Horace Liveright, to create "the first novel in which a woman ever told the truth about how women feel." (That was 1926.) She also intended to tell the truth about the way in which women are educated, about the ignorance and vanity of provincial America (especially the "aristocratic" South), and about the defects of American culture in general. Last but not least, she would tell the truth about sex.

Her material was certainly promising, and her literary attitude — self-

Colonel Gracie has tempted his readers with a magnificent story, and he has betrayed those readers basely. Colonel Gracie is an almost supernatural revelation of how bad a writer can be — a literary Devil incarnate.

consciously avant-garde, yet deeply respectful of what can be learned from tradition — seemed practically to guarantee success. Her novel would tell the scandalous truth, but tell it with delicate literary art. Everything had to be precisely right. She bothered Liveright's office about "the brackets around the page numbers" and the printer's substitution of "Webster's standards" for "the spelling of the Oxford Concise Dictionary." She sent in a sketch for the dust jacket, fearing that the one Liveright had in mind would "endanger the book's dignity."

With her fastidious craftsmanship and her racy subject, it's hard to see how Newman could have failed. But she did. Her book, *The Hard-Boiled Virgin*, is a miserable flop. The brassy title contrasts, not very ironically, with the merciless archness of the book's narration:

When Marian Faraday was unable to consider her sister's sudden distaste for America a reason why she should keep her ten-year-old daughter in a land where she had already discovered that men are not made precisely like women and that all women do not dislike being kissed, Katharine Faraday decided that staying in a town where she had been so unhappy was less bearable than

going away from it with a spinster who had rigid fingers and who liked to look at small objects, and she persuaded Catherine Robinson to feel an interest in the modern German theatre which could only be satisfied by a month in Berlin and a month in Salzburg.

And that is one of the most interesting sentences in the novel. The phrase about having "rigid fingers" and liking "to look at small objects" almost suggests a character. Unfortunately, no character succeeds in emerging from any of the book's 277 pages of hideously mannered prose. Even James Branch Cabell, Newman's literary buddy (at least supposedly: "I can think of no book ever written by any woman which I like better"), complained of the "atrocities" she committed with pronoun reference.

Newman's major contribution to the avant-garde is a Byzantine opaqueness, which she often mistakes for philosophy:

At the age of twelve, Katharine Faraday could not be expected to know what a great many celebrated novelists and a great many celebrated dramatists have died without learning, and when she left the row of expectant heads and walked across the hard red clay yard to pick up a rusty dipper, she did not suspect that character was condescending to allow chance its usual small share in the union which becomes fate.

Among Newman's other bright ideas are her exclusion of all conversation from her novel; her replacement of chapters with "episodes," each of which is one vast, tedious paragraph; her insistence on beginning every episode with a sentence that includes her heroine's name; her refusal to call her heroine anything except "Katharine Faraday"; and her refusal to end with the words "The End." What she thought these methods accomplished remains largely unknown, although she did confide something about trying to get "a perfect sequence of the reader's attention." She also admitted that her episodes would leave readers "badly in need of . . . relief." She apparently thought that was a good thing.

The Hard-Boiled Virgin went over well in the bookstores. It was even banned in Boston. Newman soon pub-

lished another novel, *Dead Lovers Are Faithful Lovers*. But despite its refreshingly aphoristic title, this one is more of the same. Soon after its publication, Newman died, and her works were remembered no more. There was nothing to remember. For all her trying, her books were not literature, by any qualitative definition of that term. They were just "writing," and not very good writing, either.

Regrettably, not every piece of bad writing is bad enough to gain full membership in the countercanon, which welcomes only the degree zero of literary accomplishment. Some very bad writing approaches that standard, but misses it, just as some very good literature narrowly misses the canon. The scale of values is very long. Like Jacob's ladder, it ends in heaven, but it begins with bare rock, the kind of rock that is difficult to use for anything except a headrest while you snooze.

Difficult, though not impossible. On his visionary ladder Jacob saw "the angels of God ascending and descending"; and he said, "this is the gate of heaven." Great authors have felt free to travel up and down the literary ladder,

History cannot explain why "Babbitt" remains alive in almost every sentence, while "Gideon Planish" can lie as quiet as the tomb from page one onward.

parodying or improving the methods of the not-so-great, thereby confirming that there is a scale of values and that they themselves have the heavenly title.

Jane Austen found much of the fiction of her day quite inferior, but not too inferior to mine for elements of her comic art. Emily Dickinson found something useful for her own purposes in the pomposities of bad Christian writing. In nature, she says,

God preaches, a noted Clergyman —
And the sermon is never long.

As seen from a certain perspective, God is indeed "a noted clergyman." The phrase is valuable; it can be parodied and thus redeemed.

Perhaps there is nothing to parody

in *The Lair of the White Worm* or *The Hard-Boiled Virgin*; they are just that empty of merit. But Sinclair Lewis knew that he had found the base of Jacob's ladder when he read such syndicated poet-philosophers as Eddie Guest and Uncle Walt of Emporia ("Where the Sunflower Grows"). In *Babbitt*, he embodied them in the wonderful figure of T. Cholmondeley ("Chum") Frink, author of "poemulations" like this:

I sat alone and groused and thunk, and scratched my head and sighed and wunk, and groaned, "There still are boobs, alack, who'd like the old-time gin-mill back; that den that makes a sage a loon, the vile and smelly old saloon!" I'll never miss their poison booze, whilst I the bubbling spring can use, that leaves my head at merry morn as clear as any babe new-born!

It is not a social but a literary construction, this double vision that allows us to see that Frink is a fool but Lewis (who is, right now, the same as Frink) is a genius.

There may be writers who are worse than Chum Frink. There are certainly writers who are a little bit better than he is, writers who stand a little higher up the ladder. Others stand a little higher still. . . . Lewis, standing near the top, makes Chum Frink see this, once he's drunk:

Know what I could've been? I could've been a Gene Field or a James Whitcomb Riley. Maybe a Stevenson. I could've.

No, he couldn't've. But the momentary ability to realize how bad he is gives him a glimpse of the ladder's ascent and upward reaches. "Maybe a Stevenson."

Grant that there is some writing that is just plain bad; and grant, therefore, that there are principles that allow us to make that judgment. I will then suggest that by using the same principles we can distinguish a canon of writing that is great in every way in which the countercanon is terrible. If you demand to know by *which* principles that highly discriminatory judgment is to be made, I will answer in the general yet sufficient terms with which Coleridge, in his *Biographia Literaria*, answers essentially the same question: "By the principles of grammar, logic,

psychology!" He goes on to mention "the truth and nature of things, confirmed by the authority of works, whose fame is not of *one* country, nor of *one* age."

No claim need be made that these principles operate uniformly in people's literary judgments. The claim is only that where they do operate, they

History may suggest some reasons why William Wordsworth got interested in capital punishment, but it cannot come to grips with the miraculous wrongness of his decision to write a series of poems in favor of it.

are decisive, and they are no respecters of period, genre, gender, race, or class. One principle that Coleridge identifies — a principle, basically, of literary "logic" and "psychology" — is that a "legitimate" poem "propos[es] to itself such delight from the *whole*, as is compatible with a distinct gratification from each component *part*." In other words, the whole and the parts should be consonant. You shouldn't try to elevate your readers' thoughts with some general message about capital punishment while you are putting them to sleep with a series of fatuous clichés.

Such principles of "taste" and "good sense" (Coleridge again) are subject to every error of application that bad taste and lack of sense can possibly make. But it is by appeal to universal standards that *King Lear* lives and *Gorboduc* continues dead, that Emily Dickinson has been resurrected while Ella Wheeler Wilcox remains buried in the ruins of her literary experiments.

There are people — my professional colleagues, chiefly — who would not spend one moment defending the literary value of *The Hard-Boiled Virgin* or *The Lair of the White Worm* but who have great difficulty accepting the abstract idea that distinctions ought to be made between literature and mere "writing," or between writing that has some local and partial value and writing that represents a canon of greatness. Is it possible, they wonder, and is

it right, to distinguish literary effects from all the other "cultural work" that a text may do?

Here again, we need the help of some great exemplar of the countercanon. This is a job for Albert Payson Terhune.

Terhune was a hack writer. It seems to have been an hereditary condition; his mother and his daughter were also hack writers. In his autobiography, Terhune cheerfully confesses to writing that "was a billion miles from anything approaching literature." (He believed that he could tell the difference.) But whatever the quality of his writing may have been, he kept at it until the end, and after the end. His last published book, *Across the Line*, was allegedly created after his death and communicated to this world by means of automatic writing — an art that he had practiced, in one form or another, throughout his career.

Terhune's most famous works are his many stories of dogs, beginning with *Lad: A Dog* (1919). Interest in his books about collies has been intense and long-lasting; pockets of enthusiasm still exist. When I was a child, I loved Terhune's books and pestered my parents to keep buying them, until I had 10 or 15 of the cheap, squishy, Grosset & Dunlap "hardbacks" for kids. Years later, long after my treasured copies had somehow found their way to Goodwill Industries, I came across *Lad: A Dog* on a bookstore shelf. My heart barely had time to soften with nostalgia before I opened the book and discovered that Albert Payson Terhune was a very poor writer, after all.

His books do have action; the dogs get to save some good guys and rough up some bad guys. But his principal concern is the dogs' moral character. Every one of these "gallant" dogs is a "dog with a Soul"; every one of them is, in Terhune's opinion, about a thousand times nicer, braver, and smarter than any human being you are ever likely to meet. The word "animal" just doesn't seem to fit. What the dogs are, in fact, is a pack of self-complacent New Jersey gentlemen like "the Master," Terhune himself. You've guessed that Terhune's sentences are insufferably stilted and hammy. They also have a tendency to wander off on long romps with his personal obses-

sions. He was chronically upset, for instance, by a paved road that encroached on his property at Pompton Lakes — the “pus-hued concrete highroad,” as he termed it. That first adjective catches him at the height of his evocative power.

The question of why so many people, adults as well as children, have really and honestly enjoyed Terhune's books is answered in two different ways — one explicit and weak, one implicit and powerful — by Irving Litvag, Terhune's engaging biographer. Litvag recognizes his subject's sins as a writer. He asserts, nevertheless, that the explanation for Terhune's popularity lies in his “storytelling skill.” This would be a good explanation, if there were some positive evidence of that skill. There being none, I proceed to Litvag's second answer, which has much more to do with Terhune's audience than with Terhune.

Litvag admits that he found himself crying, like many other visitors, when he drove out to Terhune's former home and discovered the grave of Lad, a quadruped “whose only real interest in life,” Litvag concedes, “probably was his next bowl of hamburger.” Yet somehow Lad “became the dog we always wanted to have and never did. Maybe even more than that — maybe he became the friend we always waited to find, or even the brother, or the father.” Terhune's writing helped to produce that effect, but the effect didn't result from any aspects of the writing that we

can possibly call literary, so long as there are other words in the dictionary. The real determinant was the audience's desire to have a collie dog.

That's “cultural work” for you. When I visited “The Place,” as Terhune always calls his estate, my emotions also were fully engaged, although they required no immediate assistance from

The main reason why we know that “The Call of the Wild” is literature, while “Lad: A Dog” is not, is that only one of those works depends for its effect on the reader's need for a household pet.

Terhune's writing. Such movements of the heart are well worth analyzing, from a “cultural” point of view. But the clues won't lead you anywhere close to literature. The main reason why we know that *King Lear* (or, for that matter, *The Call of the Wild*) is literature, while *Lad: A Dog* is not, is that only one of those works depends for its effect on the reader's need for a household pet.

This point is naturally lost on everyone who is not concerned to distinguish literature from socially interesting words, and “everyone,” in this sentence, embraces both stylish theorists of writing and old-fashioned preachers of morality (two overlapping categories).

My contention is supported by *A Call to Character*, a newly published anthology of moral writing for children, compiled by Colin Greer and Herbert Kohl. Kohl is the progressive educator who was responsible for *The Open Classroom* and, more recently, *Should We Burn Babar?* I am pleased to report that in the introductory essay of *A Call to Character*, my old friend *Lad* wins best of show. The climax of the essay sends readers off to this novel to learn “valuable advice” about “moral issues.”

The issue of whether *Lad* is literature, or merely a very odd kind of writing, does not arise for Greer and Kohl, any more than it arises for English Department theorists of race-class-gender. Why should it? For some purposes (to paraphrase Mrs. Chesnut), any kind of words will do. There is no reason to insist, is there, on taste or good judgment when you're simply theorizing in the classroom, or sharing moral lessons with your children? I should mention that even *The Truth about the Titanic* suggests a lot of moral lessons, and it has a lot to tell us about early-twentieth-century class structures, too.

But a question keeps coming back, as persistent and as haunting as the evidence that the countercanon offers for the existence of the canon: Isn't there *something* that the kids could get out of Robert Louis Stevenson's writing that they can't get out of Albert Payson Terhune's? I think that there is, and that the *something* would be literature. □

Letters, continued from page 5

specific evidence on the persistence of slave labor camps, and further discuss the mixed blessings Deng's reforms have brought to the wretched inmates of Laogai, the Chinese Gulag. (There is far less deliberate brutality and brainwashing than under Mao, but far more opportunity for *apparatchiks* to get rich off of slave labor).

Regarding Harry Wu himself: Alexander may be right that most Chinese don't respect him. The same could be said of Russians and Solzhenitsyn. It should come as no surprise that the nations of Stalin and Mao still lack widespread appreciation for courageous dissidents. But to liber-

tarians and all people of good will, they are heroes. In any case, to imply that former inmates of Communist slave labor camps like Harry Wu share Americans' “victim's rights mentality” is to lose all sense of the difference between phony oppression and the real thing.

Bryan Caplan
McLean, Va.

Friendly Advice

If you work for *Liberty*, for the Lady's sake, work for *liberty*. If *Liberty* pays your wage and buys your bread, write for *Liberty*, work for *liberty*, and stand by fellow libertarians. In a pinch, an ounce

of loyalty is worth a pound of statistics. If you must eternally disparage, vilify and condemn fellow libertarians, resign from *Liberty* and when on the outside damn till your heart's content.

If you do not, you are loosening the tendrils that draw new libertarians to her Torch, so that at the first high wind they are up-rooted and blown away, never to become Libertarians, and you'll never know the reason why!

We all must fight the dragon, not each other.

Wishing you peace love and freedom in our lifetime!

Scott A. Wilson
Concord, Calif.

Reviews

The Making of Economic Society, by Robert Heilbroner and William Milberg. Prentice Hall, 1998, 190 pp.

The Unmaking of an Ideology

Jane S. Shaw

Throughout his career, economist Robert Heilbroner sympathized with socialism. Because of his appealing writing style (introduced to young people through his popular book *The Worldly Philosophers*) and because of his grudging respect for the market system, he has been regarded as a member of the economic mainstream (which is, of course, left-leaning). However, he never hid the fact that he thought that the United States should move closer to socialism.

With the fall of communism, his views changed. In a memorable *New Yorker* article in 1990 he candidly admitted his shock at the economic collapse of the Soviet Union. The shock led him to reconsider the calculation debate of the 1930s, and he concluded that, after all, "Mises was right."

When the tenth edition of his economic history text, *The Making of Economic Society*, appeared recently, I naturally wanted to know how this edition (co-written with William Milberg) treated communism. I was even more curious to learn whether Heilbroner's views about capitalism had changed. So I compared it with two earlier editions — the original 1962 book and the sixth edition, published in 1980.

Heilbroner's book has, indeed, changed over the past 35 years, but not quite the way I expected. For one thing,

looking back at the earlier editions, I found that Heilbroner always respected capitalism. (Perhaps I shouldn't be surprised. Marx did, too.)

In all three editions I reviewed, Heilbroner introduces the market economy with an anecdote illustrating the "puzzling — indeed, almost paradoxical — nature of the market solution to the economic problem."

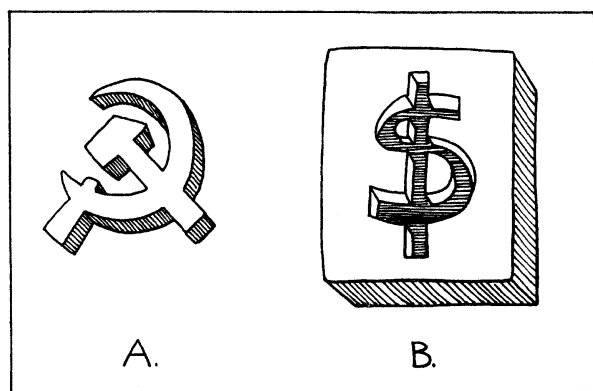
He quotes a hypothetical adviser as saying "Oh, nobody runs the market It runs itself. In fact there really isn't any such thing as 'the market.' It's just a word we use to describe the way people behave." With such language, he does a good job of differentiating capitalism from "tradition" and "command" economies.

Furthermore, in all three editions, Heilbroner tempers criticism of the Industrial Revolution with statements that the hardships seemingly caused by capitalism (child labor, long working hours, dangerous factory conditions) should be placed in context. For example, he points out that the urban poverty so visible to contemporary historians did not necessarily represent a deterioration of life for the masses. For many, it was an improvement.

Even so, a lot has changed over the years. The new edition is much shorter (190 pages, compared with the original 241 pages and 300 in 1980). I suspect the book was shortened as a concession to today's poorly prepared college students. But whether this is the case or not, it is interesting to identify the topics that Heilbroner and his co-author have removed. These include details of the composition of the Gross National Product, exhaustive analysis of the early-20th century claims that American industry was too concentrated, and a debate over the social responsibility of business (which pops up in the 1980 edition).

What has been completely transformed is the treatment of international economics. Soviet communism, which took up more than nine pages in the 1962 edition, has shrunk to less than a page. The glowing encomiums have disappeared. In 1962, Heilbroner

HEILBRONER'S PUZZLE



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wrote: "Can economic command significantly compress and accelerate the growth process? The remarkable performance of the Soviet Union is proof enough that it can." In 1980, he wrote: "Central planning is not impossible for certain kinds of economic tasks: For 'forcing' growth, in particular, it may be more effective than any other means of bringing about the needed allocation of resources" (p. 215). In the latest

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edition, he says: "Whatever the outcome, the outlook for what we used to call Soviet socialism seems very bleak" (170).

What really blew me away, though, was the disappearance of the Third World. The "underdeveloped world" was granted 25 pages in 1962, and in 1980 it had its own 23-page chapter. (True, there were signs of retreat. The "crucial avenue of aid" in 1962 was just the "avenue of foreign aid" in 1980.) By 1998, this part of the world is given only a few paragraphs. Instead, we have a chapter on the "globalization of economic life."

Heilbroner says that some of these countries have joined the world economy, while others are "centers of disaster," areas of "ever-worsening poverty, disorder, hopelessness." Whether these will ever become part of the "globalized" world "is beyond our knowledge." So much for those struggling economies whose future was so painstakingly assessed in earlier editions.

Heilbroner's reversal on the underdeveloped nations can help us understand why he once thought that socialism would work. In the earlier parts of the book, which have changed little over the years, Heilbroner recognizes that capital investment is critical to economic growth, but he sees no fundamental difference between the way that capital investment was accumulated in the Industrial Revolution and the way it was accumulated by the Soviet state.

Both societies restricted consumption to provide investment, he says. "England *had* to hold down the level of its working class consumption in order to free its productive effort for the accumulation of capital goods," he says in the first edition (1962, p. 97), a statement repeated almost word-for-word in 1998. Back in 1962, he viewed the Soviet process as simply a more intense version of the Industrial Revolution — the same transformation, just Soviet-style: "What was new about the Soviet program was that totalitarian control over the citizenry enabled the planners to carry out this transformation at a much faster tempo than would have been possible had protests been permitted" (1962, p. 195).

The Third World, too, needed to make this transformation, he wrote back then. If it was to leapfrog to indus-

trialization without either communism or the "lengthy and arduous" process that had characterized economic development in the West, some other method of capital accumulation was needed. Capital had to come from outside, either through foreign trade, foreign investment, or foreign aid. While Heilbroner discussed many problems in the Third World, from inefficient agriculture to the legacy of imperialism, they all had one thing in common: They were obstacles to the accumulation of capital.

But, as we all know now, the Third World did get capital, plenty of it. The Third World is littered with rusting factories, wasteful dams, and outmoded power plants, many of them produced with money poured into the underdeveloped countries by foreign aid.

What Heilbroner didn't recognize, apparently, is that prosperity depends not just on capital investment but on *well-targeted* and *well-managed* investment. The experience of history suggests that the most productive capital investment decisions come from a myriad of individuals acting on their own impulses, responding to a myriad of signals conveyed through the marketplace.

"Underdeveloped" countries remain that way because their governments do not grant individuals the freedom to gain by creatively responding to demand expressed through markets. (This fact is luminously clear in the correlations between prosperity and economic freedom made by James Gwartney and Robert Lawson in their recently released study, *Economic Freedom of the World 1997*.) Without markets, capital investment often ends up as waste. Heilbroner missed this in his earlier editions. His decision to drop discussion of the Third World suggests that he may understand it now.

Whatever its omissions, the latest edition of *The Making of Economic Society* does indeed give capitalism its due. A chapter about the period from 1945 to 1973 is labeled the "Golden Age of Capitalism." As most people get older, the past looks better and better. This seems to be true even for Robert Heilbroner, who dreamed of a socialist workers' paradise, but, instead, got a capitalist one. □

***The Proud Highway: Saga of a Desperate Southern Gentleman*, by Hunter S. Thompson (Douglas Brinkley, editor). Villard Books, 1997.**

Epistles from the Edge

Thomas Knapp

"Facts are lies when they're added up . . . you have to add up the facts in your own fuzzy way, and to hell with the hired swine who use adding machines," wrote Hunter S. Thompson in a 1965 letter to Knopf editor Angus Cameron. Since then, Thompson kept accounts his own way in *Hell's Angels* and the eight books that followed it. He wrote two of the seminal works on the politics of the late twentieth century (*Fear and Loathing: On the Campaign Trail '72* and *Better Than Sex*), eye-opening "studies" of the drug and motorcycle cultures (in *Fear and Loathing in Las Vegas* and *Hell's Angels*), and reams of salient political and social commentary ranging from his early South American articles for the *National Observer* to his "national correspondence" in *Rolling Stone*. A film version of *Fear and Loathing in Las Vegas* is in production, featuring Johnny Depp in the role of the angst-ridden, drug-addled journalist. His new piece in *Time* ("Fear and Loathing in Hollywood: Doomed Love at the Taco Stand"), putatively about the movie, marks Thompson's triumphant return to the publication where he once worked as a copy boy.

The Proud Highway: Saga of a Desperate Southern Gentleman, covers Thompson's formative period of 1955–67, and is the first volume in a projected trilogy of the God of Gonzo's letters. The correspondence spans a period encompassing the last days of Thompson's high school career (he spends graduation day cooling his heels in a Louisville jail cell, charged with armed robbery), his first forays into journalism as an Air Force sports-

writer, a short and ill-fated attempt to hold down a "real" newspaper job, and his sojourns in New York, Puerto Rico, South America, California, and Colorado, culminating in the release of *Hell's Angels*. The collection of Thompson's correspondence, edited by Douglas Brinkley, may be the ultimate validation of Thompson's real writing ability and political acumen. It is also the reading public's first real chance to examine the early development of Thompson's trademark style.

Included in the volume are some of the pieces that made Thompson the inspiration for the "Duke" character in *Doonesbury*: a self-penned "news release" that mysteriously appeared in the Eglin Air Force Base *Command Courier*, identifying Thompson as the suspect in a fictional attack on the gatehouse guard ("Thompson was . . . described by a recent arrival in the base sanatorium as 'just the type of bastard who would do a thing like that'"), the correspondence surrounding his "application" for the governorship of American Samoa ("Immediately upon receipt of [your letter] I went to Brooks Brothers and purchased several white linen suits and other equipment befitting the Governor . . ."), and his attempt to cajole the CEO of American Motors into giving him a new Rambler ("The nut of my argument is that I'm driving around in something that I — in your position — would go to great lengths to hide from the general public").

Functioning as a writer in a world of feel-good liberals, militant leftists, and crank conservatives, Thompson has always managed to project a visceral libertarianism, a frank and savage objection to the signs of the times and the people and processes that make them what they are. If he's generally

regarded as leaning to the left, it has never prevented him from recognizing — and skewering with a sharp polemic — the systemic problems of the state as such: “My position is and always has been that I distrust power and authority, together with all those who come to it by conventional means — whether it is guns, votes, or outright bribery. There are two main evils in the world today: one is Poverty, the other is Governments. And frankly I see no hope of getting rid of either. So it will have to be a matter of degrees, and that’s where we quarrel,” Thompson wrote to his Marxist friend Paul Semonin in early 1964. He also said that “the ‘civilized’ nations of this earth have created in the ‘underdeveloped’ lands nothing more or less than a cheap and ragged imitation of their own Big System that has gone by the name of ‘government’ since man invented the word.” Thompson feels in his gut the wrongness of the over-protective, manic-depressive bitch that is modern society and the modern state. And it is on the “gut level” that the reader agrees (or disagrees).

The young Thompson apparently benefited from exposure to the ideas of Ayn Rand. The editor’s notes preceding

It is down in our guts that Thompson makes us feel the wrongness of the over-protective, manic-depressive bitch that is modern society and the modern state.

a 1957 missive to high school friend Joe Bell indicate that he considered her a “kindred spirit” and often loaned out copies of her books. “To discuss *The Fountainhead* would be useless — ” he cautions Bell, “even more so with a person who understands it than one who doesn’t . . . although I don’t feel that it’s at all necessary to tell you how I feel about the concept of individuality, I know that I’m going to have to spend the rest of my life expressing it in one way or another, and I think that I’ll accomplish more by expressing it on the keys of a typewriter than by letting it express itself in sudden outbursts of

frustrated violence.”

And yet Thompson’s entire body of work might be classified as “sudden outbursts of frustrated violence” — directed with deadly aim against the killers of the American dream, those who are “heroes first, and punks later, and then heroes again when people have forgotten what real punks they were” (on Jean-Paul Sartre and Norman Mailer, to Semonin in 1964). And he seems to refer to the same

group in his own Author’s Note to *The Proud Highway*: “Their work and their lives and their long-range professional Fate would be a lot easier if I went out on a slick Ducati motorcycle one night and never came back.”

It won’t be necessary for some future generation to exhume the corpse of the Great American Dream for autopsy purposes. The coroner’s report is already in, and it’s signed: Hunter S. Thompson. □

***Man Without a Face*, by Markus Wolf, with Anne McElvoy. Times Books, 1997, 368 pp.**

The Man From Stasi

Richard Kostelanetz

I first heard the name of Lt. General Markus Wolf (b. 1923) when I lived in West Berlin in the early 1980s. Already the veteran chief of that department of the East German (DDR) Stasi devoted to external spying, he was a legendary character at once feared and admired on both sides of the Berlin Wall. (Remember it?) The fact that no one for many years had a photograph of him contributed to his mythic status and provides a title to his recent memoir. The son of the prominent Communist writer and philandering physician Friedrich Wolf, who took his family during the Nazi times not to Hollywood but to Moscow, Markus Wolf was also the older brother of the distinguished East German filmmaker Konrad Wolf, who headed the East Germany Academy of the Arts until his early death in 1982. (Imagine if the brother of Steven Spielberg were heading our CIA.)

The first truth you learned in West Berlin was that Wolf was a supremely effective spymaster. Among those West Germans discovered to be DDR informants were Willy Brandt’s right-hand man, the chief of West German counter-

intelligence as well as the assistant chief, and various prominent nuclear scientists. In retrospect, you rightly wonder how many of similar prominence did not blow their covers or defect and continued living in (West) Germany undetected and unsuspected after the Wall came down. It was commonly said at the time that the East German external spy service ranked second only to the Israeli Mossad. (The fact that both were run by Jews was not lost on people who keep track of such details.) I remember an East German friend once telling me the identity of Markus Wolf’s mistress, as though this information would indicate that he wanted me to believe I could trust him. It was, so to speak, his secret to top all secrets he could share with me. Since my friend is mentioned in Wolf’s book, I later came to regret failing to write down the lady’s name.

Living in West Berlin, often going through or under the Wall to another world that was so antagonistic to my own, made me more aware of spies than I was before. With some eighty separate intelligence agencies operating here, West Berlin was Undercover Heaven. While minding my own business as an artist-guest of the city, I was constantly running into people whose

activities could not be wholly explained, whose sources of income were mysterious; and a girlfriend who had spent her entire adult life within the walled city made me yet more watchful. We once met a female "journalist" from New York, a Jew (another!) who had lived for many years on the main street in a neighborhood favored by young radicals. Since she didn't seem to publish much, our first question to each other after we left her was, "I wonder whom she's working for?" Our educated guess was that she snooped for Israeli intelligence — or perhaps New York City's. Hell, the organization inviting me to Berlin, the DAAD Künstlerprogramm, had been founded in the early 1960s with American money by the late Shepherd Stone, whom Wolf thinks "was involved with the CIA," to contribute to the East-West cultural competition that was thought to be serious business.

For all his celebrity in West Germany, Wolf was unknown in America at the time. His name did not appear in Thomas Powers' biography

Wolf's narrative reflects genuine literary ability, beginning with the illusion of revealing confidences and the generation of provocative ideas.

of Richard Helms and the CIA, *The Man Who Kept the Secrets* (1979), though Wolf's West German counterpart is mentioned several times. I can remember proposing to do an extended magazine article on the intellectual Jewish spymaster, gathering what was known about him from secondary sources; but no magazine here wanted a feature on someone at once unfamiliar and so incredible (and so unavailable for an sit-down interview). As a veteran magazine writer, I circulated this proposal with the expectation that the apprehension of an East German spy in America one day might remind editors of me, but I hoped in vain.

We speculated at the time about whether Wolf had agents in the U.S.

We remember that Soviet spies were arrested here; so were Czech spies, working out of the UN in the late 1960s. However, not until late 1997, to my recollection, was anyone allegedly reporting to East Germany ever arrested in the U.S. Given that West Germany at the time eagerly accepted "refugees" from East Germany, it would have been quite easy for Wolf's operation to send agents west and then instruct them, once they obtained West German identity, to apply for a tourist visa for America. Since our police don't track tourists here, it would have been quite easy for such spies to overstay their visas and, if they already had enough American money in their pockets, to establish a presence here and then do some mischief.

After I returned home to New York, I met at least one young woman born in East Germany whose insufficient accounting of how her family "went West" and then her description of her parents' activities in America made me feel like a suspicious West Berliner again. (Merely from the details I outlined, my West Berlin girlfriend immediately agreed with me.) My hunch is that once the DDR disintegrated, the DDR agents here simply disappeared into whatever front they were pursuing in America and, more important, that Stasi files about American agents were among the first to be destroyed. That means that information about the identity and purposes of DDR spies in America now exists only in the mind of Markus Wolf.

The lack of visible arrests of East German agents here indicates that either there were none or, more likely, that the U.S. never caught any. The fact that few people here appreciated Wolf's talents (or even knew his name) became, in the inverse logic typical of such matters, further evidence of his effectiveness. Remembering this guy as a champ spymaster, I would say this absence becomes an implicit indictment of U.S. spycatching.

Wolf was also something of a con man. I can recall on that Friday afternoon after the Berlin Wall fell that an eager CNN reporter interviewed Wolf, then identified only as a "dissident," who didn't divulge his principal previous position — a tag that was in 1989 apparently unfamiliar to both the reporter and his editors in Atlanta. In

his book he writes with pride of just a few months before "joining the writers Christa Wolf, Stephan Heym [sic; it's "Stefan"], and Heiner Müller and the leaders of the New Forum opposition group Barbal Böhley and Jens Reich" as though he were just another dutiful member of Berlin PEN.

With all these thoughts in mind I approached Markus Wolf's first English-language memoir, *Man Without a Face*, "The Autobiography of Communism's Greatest Spymaster," written with Anne McElvoy (an unfamiliar name who doesn't merit a bio-

An East German friend once told me the identity of Markus Wolf's mistress at the time, as though this information would indicate that he wanted me to believe I could trust him.

graphical note), hoping for some new intelligence about DDR operations in America. After all, when a news-hungry American publisher pays an advance and hires a ghost to help a new celebrity who hasn't written an English-language book before, it expects to get a good story, which, in this case, should have included new information of interest to us all. Forget it. We hear only about two German Jewish refugees, both now deceased, who sent information to his office, and two Americans stationed in West Berlin. To my mind, that is not and can't possibly be enough. (He also claims that the Stasi had no agents in Israel, even though other arms of the DDR were supporting Arab countries and sometimes harboring Arab terrorists.)

It is true that *Man Without a Face* contains lots of details about Stasi success in East Germany, retrospective regrets about inadvertently deposing Willy Brandt (the West German prime minister most sympathetic to the East), and some amusing anecdotes about Stasi failure in the early 1970s in East Africa (which Israeli intelligence had wisely abandoned a few years before). Wolf's narrative reflects genuine literary ability, beginning with the illusion

of revealing confidences ("One of the perils of being a spy chief is that you are not believed even when you do come clean") and the generation of provocative ideas. In the last respect, consider this most remarkable historical claim, which appears near the end of the book: "The intelligence services contributed to a half century of peace — the longest Europe has ever known — by giving statesman some security that they would not be surprised by the other side." Now that is a perception worthy of another book that, given Wolf's new self-description, he will probably do.

Otherwise, the principal revelation here is a back jacket photograph where Markus Wolf looks like a humorless Mel Brooks and then a folio of black-white photographs that show a man too tall to disappear into a crowd. On further thought, consider that this egregiously incomplete book might be the latest trick of The Man Who Kept the Secrets, for Lt. General Wolf got truly hard currency out of Times Books, which is a division of Random House, which is owned by the Newhouse family. Now, that's not only first-rank *chutzpah* but a big-league con. □

***Sewer, Gas & Electric*, by Matt Ruff. Atlantic Monthly Press, 1997, 450 pp.**

Marginal Utilities

Brien Bartels

Sewer, Gas & Electric offers a complex plot, a menagerie of cartoony characters, and arguments with a holographic Ayn Rand, but very little philosophical heft. In Matt Ruff's fevered imagining of the year 2023, we meet Harry Gant, a billionaire industrialist and all-around nice guy, who is engaged in building the world's tallest building in Manhattan. A worthy goal for an Objectivist hero, but Harry is about as far from John Galt as you can get. Described as having "more enthusiasm than sense," he invents his way to riches by bamboozling the nation with public opinion engineers, bamboozling the banks with creative accountants, and selling a billion dollars worth of "neat" products, like "electric Negroes."

The death and rapid evaporation of the entire black race in a plague results in a great void in the world's work force. Gant's Automatic Servants not only fill a wide variety of indus-

trial and service jobs but also a void in the consciousness of the survivors of the plague: "People didn't seem to mind — in fact seemed strangely comforted by — the sudden profusion of dark skinned Servants, all of them polite and hard-working to a fault." Hence electric Negroes, an informal appellation Gant's engineers try to keep out of everyday parlance. Gant himself is "as surprised as anyone when Configuration A204 — your Automatic Servant in basic black — began outselling all other versions combined by a margin of ten to one."

The main plot of this many-plotted novel centers on the curious fact that, despite the Automatic Servants' behavioral inhibitors, they are implicated in a very strange murder. Someone, or something, is using them for nefarious purposes outside the manufacturer's intended use.

Into the mix are thrown Joan Fine, Harry's ex-wife and former comptroller of public opinion, now a sewer exterminator and investigative journalist's assistant; Kite Edmonds, the oldest sur-

viving Confederate cross-dressing one-armed combat veteran; and Philo Dufresne, the Amish/African-American eco-terrorist and improbable survivor of the great plague. Dufresne and his submarine crew, in their non-violent war for global cleanliness, sink one of Gant's Antarctic-bound icebreakers for the amusement of blimp-riding newsmen of CNN, thereby winning the fatal enmity of Gant's fanatical new comptroller of public opinion, Vanna Domingo . . . and so on and so on. Fortunately, Ruff provides a list of *Dramatis Personae* ("The Social Register," arranged by income level) to which readers will refer often.

Sewer, Gas & Electric made me laugh out loud in places. Some of the scenes and passages are sublime. It contains not one but two succinct summaries of *Atlas Shrugged*. (The shorter one: "The anti-Communist Manifesto . . . with chase scenes and heavy petting. . .") On the downside, by the halfway point I was casting around my apartment for another book to read.

I pondered the reason for this, eventually comparing *Sewer, Gas & Electric* to two books which Ruff is either paying homage to or parodying. In *Atlas Shrugged* and in *The Illuminatus! Trilogy* the characters react to their overwhelming antagonists and situations with vigor, determination, and drive. Their

In "Sewer, Gas & Electric," Ruff's actors are so handicapped by malignant irony that they appear completely detached in the face of armies of mechanized terrorists, genocidal computers, and mutated sewer-dwelling sharks.

drive compels the reader to the denouement of each book. Dagny Taggart's single-minded determination to save her railroad pulls readers through the 65-page speeches. Hagbard Celine's war on the Illuminati holds the reader despite the repellent sex scenes and cracked conspiracies. In *Sewer, Gas & Electric*, Ruff's actors are so handicapped by malignant irony that they

appear completely detached in the face of armies of mechanized terrorists, genocidal computers, and mutated sewer-dwelling sharks. That detachment transmigrates to the reader after about 200 pages.

It is very difficult to stay with a book whose little philosophy goes like this: "lefties are bad, maniacal computers are bad, industrialists are not so bad, eco-terrorists in a polka dot submarine are good." And it is more difficult when it is apparent the author himself has no strong attachment to those simple ideas.

If you like to laugh, love to see popular culture skewered by a skilled literary sou chef, and don't value your time too highly, *Sewer, Gas & Electric* is worth the effort. If you prefer your fiction with ideas and memorable personalities, instead of an undistinguished mob in a series of skits, wait for the paperback. And if you don't think you could stand the sight of a holographic simulation of Ayn Rand actually losing an argument with a "Whim-worshipping muscle mystic," *Sewer, Gas & Electric* will only interfere with your benevolent sense of life. □

her well in starting a new life as a professor at the University of Nebraska. *Searching for Saleem* (University of Nebraska Press, 1996, 255 pp.) is the story of this journey. It is a frightening — and inspiring — account of what happens when an ordinary person becomes caught in a battle of religions and ideologies. —Kathleen Bradford

Klaus, In His Own Words — In the film *Wild at Heart*, a character tells of a private detective so skillful "he could find an honest man in Washington." After reading *Renaissance* by Vaclav Klaus, I am convinced he could find two, providing Klaus was in town.

Klaus is the rare elected politician who will freely admit that there are things the government should not and cannot do. Once a creature of libertarian fantasy, this sort of politician is now the Prime Minister of the Czech Republic. In *Renaissance: The Rebirth of Liberty in the Heart of Europe* (Cato Institute, 1997, 177 pp.), a collection of twenty-nine essays (all originally delivered in English), he writes of the Czech Republic's move from Communism to markets. Unfortunately, a collection of speeches and essays does not make for the best how-to book. The book is unavoidably choppy and repetitive. The editor alleviated this problem somewhat by allowing each essay to expand upon the previous one, but the repetition mars the book.

"Transforming Toward a Free Society" is by far the best essay. Klaus simply points out that free interactions are what remain after coerced interactions are taken away. A civil society is what remains after the state is taken away. It is impossible for a state to create markets or "introduce" civil society. The state need only withdraw from the scene.

Klaus also tells of the tactics that he used to achieve his reforms. The current government has largely abolished price controls, stabilized the money supply, privatized government-run industries and more. A common theme runs through all of these measures. The reforms were not designed to improve industrial efficiency. The reforms were designed to transfer control from the state to individuals and for no other reason. This method allowed valuable traditions to be created, and it also lets

Booknotes

Lear on the Farm — Jane Smiley's 1991 novel, *A Thousand Acres* (Knopf, 371 pp.), has recently been released as a movie, and as usual, the book is better. It's a version of *King Lear*, cunningly updated to the 1970s. The disputed bequest is now a mid-western farm, and the disputants are modern agriculturalists who wear jeans, worry about getting the latest model tractor, and play Monopoly in their spare time. The chief interest comes from the cleverness with which Shakespeare's story is transferred to this climate, and its symbols reversed: the bad guys in *Lear* turn into the good guys here (well, sort of). But Smiley's novel is also remarkable in another way. It has something that is rare in modern "art" novels — a real curiosity about the way people earn a living, and what that means to them. To my relief, the only politics in this novel is a half-satiric, half-sympathetic view of environmentalism. There is one really damaging artistic error: Smiley uses one of the farm women as her narrator, but she sounds like someone who has spent her life picking up MFAs in creative writing. Once you get used to the strangely artificial narrative style, the rest works pretty well. —Stephen Cox

Out of Afghanistan — Farooki Gauhari knew it was time to leave Afghanistan when her sons climbed out their junior high school window to escape the soldiers who had come for new "enlistees."

She had already spent over two years searching for her husband Saleem, an Air Force officer who disappeared in April, 1978, when the Communists took over Kabul. Every Saturday she had waited in line at the prison to deliver food and clothes for him and every Saturday the guards would return her items after saying they had searched, but failed to find him.

In fact, he was already dead. But all they ever said was that they couldn't find him. Sometimes in the streets someone would tell her that he had seen her husband. So she spent countless frustrating hours tracking down these stories, only to be disappointed. During this time she felt that her gun was her one protection from the looting of abandoned homes that had begun. To avoid the metal detectors of the searching soldiers she hid her gun up near her metal roof, but spent anxious nights while the gun was so far out of reach from where she tried to sleep.

Dressed as fundamentalist Moslems, she and her children and brothers and sisters made their way through the war between Islam and Socialism — which, like all holy wars, was particularly vicious. They survived surprise knocks on doors, unprovoked stops on the roads, hours hiding in houses while bombs whizzed overhead, and riots in the streets.

Somehow, she made it to Pakistan, then to India and ultimately to Omaha, where her training as a biologist served

those traditions evolve.

Renaissance differs from most libertarian works because it was written by an actor and not a critic. Most libertarian authors spend their energy discussing goals, and very little on the tactics needed to achieve them. Klaus spends little energy on goals, and most on tactics. Libertarians should notice this balance. Perhaps we should shift our attention from perfecting our conceptualization of Libertopia and more on the small details. At the moment we need a road map more than a globe.

While it is true that the Czech Republic has not achieved a civil society, it has moved in that direction, and *Renaissance* details the journey. While the essays overlap too much, they do provide a useful manual for people in other countries. —Stephen French

Don't You Believe It — According to James A. Haught in *2000 Years of Disbelief* (Prometheus Books, 1996, 334 pp.),

the "last major European figure" to be "executed for heresy" was Spanish educator Francisco Ferrer. In 1909, his "godless schools" were accused of fomenting rebellion, and a military tribunal tried, convicted, and executed him by firing squad. Though the government soon changed hands because of the scandal, "Pope Pius X sent a gold-handled sword engraved with his felicitations to the military prosecutor who had obtained Ferrer's death" (p. 224).

Haught's book is full of anecdotes like these. It consists mainly of short biographies and a selection of quotations from these men and women. Unfortunately, the biographies are rarely well thought out and never elegant. They seem hastily written, with no sure auctorial voice. The entry for H.L. Mencken is especially galling, containing pointless sentences like this: "Mencken's language was delightful, prompting author Marion Rogers to

state that he had 'a style of great force.'"

Many of the quotations are "drawn from existing anthologies and collections" and are not cited properly. With a few days in a good library, Haught could have tracked down the proper sources for items that he merely lets stand with a reference to anthologists such as "Seldes" (*The Great Quotations*) or "Cardiff" (not the giant).

Contrary to its title, Haught chronicles only the last five hundred years of disbelief. "Part One: The Beginnings of Rationalism," runs on for a mere eight pages, and consists of nothing more than two brief chapters, one eulogizing Omar Khayyam, and the other apostrophizing "the Ancients." One suspects that this was tacked on so the secular humanist publishing house could make the book more appealing to its anti-Christian readers.

The Pre-Socratic philosophers, the Skeptics and Epicureans of the Hellenistic period certainly merit consideration (the book "exhausts" these thinkers in three paragraphs and a few scattered quotations). Indeed, an analysis of the relationship between rising Christianity and decaying "paganism" would have focused Haught's attention to the problems inherent in believing *anything* about religious matters — or political ones, for that matter.

—Timothy Virkkala

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Warriors for Peace — In right-wing myth, the Vietnam anti-war protests were driven *exclusively* by venal and selfish motives. In a recent *The American Enterprise*, for example, former Navy Secretary and Vietnam veteran James Webb portrays opponents of the Vietnam war as if they were all pampered, vaguely ridiculous figures like Democratic Representative Tom Downey, who at the time of his election to Congress in 1974 was still living with his mother. Webb ignores anti-war veterans and soldiers, as he must. It is much more difficult to impute cowardice and naiveté to someone who returned from Vietnam in a wheelchair, or admit that many of those who vigorously protested U.S. policy in Vietnam wore the same Marine Corps uniform that Webb did.

Unlike Webb's caricatures, the men described by Richard Moser in *The New Winter Soldiers: GI and Veteran*

Dissent During the Vietnam Era, (Rutgers University Press, 1996, 219 pp.), courageously protested the Vietnam War while in uniform, or as veterans during the 1960s and 1970s.

The illustrated book also delves into the racial turmoil of the era and more extreme activities such as "fragging" (assassination of unpopular officers) which was epidemic during the Vietnam War. —Clark Stooksbury

A Singular Imagination — Bruce Sterling's latest novel, *Holy Fire* (Bantam, 1996, 358 pp.) is a slice of late-twenty-first-century life, filled with odd words and old words oddly used. "Mnemonic" is not a trick used as a memory aid, but a *drug* to aid memory. "Singularity" is not just a term of math and physics, but a revolutionary moment in history. "Vivid" is the word Sterling's future youths use where "hep" or "cool" or "rad" might have been *de rigeur* in earlier days. Sterling writes of "gerontocrats" who live long past man's normal lifespan, and they refer to themselves as "post-human." The title term, "holy fire," is a synonym for inspiration.

Though Sterling's book is well-written, and his future exquisitely imagined — the future polity is described as a "medical-industrial complex," a very apt term for a very likely development — it is, as a work of fiction, something short of inspired. Sterling tells the tale of an old gerontocrat who goes for the makeover-to-end-all-makeovers, and becomes young again. Instead of remaining under the supervision of her medical experimenters, she runs. Wild. But her adventures in Europe's underground are less than emotionally satisfying. It is as if Sterling achieved a stylistic mirror to his theme: a staid crone becomes a vapid youth, her fire within never burning into the reader's consciousness.

Sterling's novel ends up a laid-back tale of existential crisis, more food for thought than fuel for emotional fire. But I find it hard not to recommend, since as food for thought it is singularly, well, "vivid." —Timothy Virkkala

Fire Tamed in the Hand — I have been a cigarette smoker — an increasingly heavy one — since I was fifteen years old. I have tried to stop in every way imaginable. I went "cold

turkey" some years ago, endured it for two agonizing years, then could endure it no longer. I have been to Smoke Enders three times. I have been hypnotized. I have worn the patch.

Several months ago, two friends, concerned about my health, sent me a book entitled *Allen Carr's Easy Way to Stop Smoking*. It contains a perspective on smoking and an analysis of it that was completely new to me.

Allen Carr suggests that the reader have one cigarette after finishing the book, knowing it will be the last he will ever have. I finished the book, lit a cigarette, smoked half of it — and put it out. I did not want it. I have had not a single withdrawal symptom, a single moment of longing for a cigarette in the months since then.

The book is not published in this country, but may be purchased for \$15 by contacting Laura Cattell, 12823 Kingsbridge Lane, Houston, TX 77077. I can think of no better gift for yourself, if you smoke, or for friends who still smoke. —Barbara Branden

Bauhaus Divided — "Remove the class distinctions that raise an arrogant barrier between the craftsman and artist." This was the instruction from Walter Gropius, director of the Bauhaus School of Design. The Bauhaus was created to study and teach the unity of architecture, design and functionality.

In theory, the Bauhaus treated the work of all participants equally. There was to be, in Gropius's words, "no difference between the beautiful and the strong gender, absolute equality, but also absolute equal duties." But almost immediately a separate "Women's Department" was established because women were not, in the board's view, up to painting walls and metalworking.

Women were relegated to traditional women's work, which meant weaving. And what weavers they were! They focused on design rather than the structure of the fabric. Some were very taken with geometrics; others with the interplay of colors; others with the use of new materials. They pushed the boundaries of what can be done with fabric in every direction. They changed weaving and textile design forever. Or at least so far.

Women's Work by Sigrid Wortman-Weltge (Chronicle Books, 1993, 208 pp.) is the story of the women who enrolled

at the Bauhaus. Their emphasis was on the individual and the goal was to combine formal, theoretical constructs with intellect and inner compulsion in creating fabrics and interiors. These women viewed weaving not as a craft, but as part of an esthetic whole. In their separate workshop they studied design, color, and other aspects associated generally with painting.

Women's Work includes biographies of the weavers — as complete as they can be, considering the disruptions of World War II. Also included are discussions and biographies of people who have been strongly influenced by the Bauhaus, such as Jack Lenor Larsen and Else Riegensteiner.

The text is accompanied by wonderful photographs of the weavers and their studios, complete with color plates of not only their work but the sketches that served as the basis for their work.

—Kathleen Bradford

The Acts of the Epistles — The Apostle Paul (aka Saint Paul, aka Saul of Tarsus) has a rather bad reputation among intellectuals, who see him as the corruptor of the essentially gentle teachings of Jesus and the one who turned Christianity into a sexist, violent religion. British writer A.N. Wilson, in his most recent book, *Paul: The Mind of the Apostle* (W.W. Norton & Co., 1997), argues that this popular notion of Paul is just plain wrong.

But Wilson's view of Paul will not really appeal to most Christians, either. According to Wilson, Christianity is the result of two failures: Jesus' failed rebellion (ending with the crucifixion), and Paul's failed prophecy (no Second Coming within the life of anyone living during his time). But the failures aside, Paul's own vision of what Jesus did, and what he (Paul) was up to, does not mesh well with the anti-Pauline bent of so many moderns. According to them, Paul was sexist, racist, totalitarian, etc., etc. But according to Wilson, Paul was, instead, "a prophet of liberty, whose visionary sense of the importance of the inner life anticipates the Romantic poets more than the rule-books of the Inquisition" (14).

Wilson makes a pretty good case for his position, despite a less-than-thorough grappling with Paul's ideas as expressed in his letters. Wilson's purpose is to provide not an exhaustive

Notes on Contributors

Paul Armentano is Publications Director for the National Organization for the Reform of Marijuana Laws.

"Baloo" is the alter ego of cartoonist **Rex F. May**.

Brien Bartels is an editorial assistant at *Liberty*.

John Bergstrom is a Californian cartoonist and animator.

David Boaz is author of *Libertarianism: A Primer* and editor of *The Libertarian Reader*.

Alan Bock is the author *Ambush at Ruby Ridge*.

Kathleen Bradford is a weaver of fabric living in Port Townsend.

R.W. Bradford is editor of *Liberty*.

Barbara Branden is the author of the definitive biography, *The Passion of Ayn Rand*.

Rycke Brown is currently incarcerated at the Arizona Center for Women.

Harry Browne is the author of the classic *How I Found Freedom in an Unfree World* and other books.

Mike Buoncrisiano is President of Avanti! Marketing Solutions.

Steve Cason is a writer living in Bean Station, Tennessee.

S.H. Chambers is a cartoonist and illustrator whose work has appeared in *National Review*, *The Hillary Clinton Quarterly*, and other journals.

Michael Christian is an American lawyer living in Europe.

Stephen Cox is the author of *Love and Logic: The Evolution of Blake's Thought*. His article "The Devil's Reading List" appeared first in the Fall 1996 *Raritan*.

Stephen French is webmaster for the Nockian Society.

Roger W. Garrison is a Professor of Economics at Auburn University.

Robert Higgs is editor of *Independent Review*.

Jo Jorgenson was the Libertarian Party's vice presidential nominee in 1996.

Bill Kauffman is the author of *America First!* and a novel, *Every Man a King*.

Thomas Knapp is presently working on a new web/email zine, *The Greater Ozarks Bastinado*.

Bart Kosko is a USC professor of electrical engineering and author of the Avon cyberthriller novel *Nanotime*.

Richard Koselanez produced several books in 1997, including *Writings on Glass* and *A B.B. King Companion*.

Pierre Lemieux is an economist and pamphleteer living in Quebec.

Loren E. Lomasky is author of *Persons, Rights, and the Moral Community*.

David Nolan founded the Libertarian Party way back when.

Tom G. Palmer is a freelance writer, political theorist, and D.C. partisan.

Dyanne Petersen is currently incarcerated in California.

Ralph Raico is a historian and translator living in Buffalo, New York.

George Reis ran for the California State Assembly in 1994.

James S. Robbins is a foreign policy analyst in Massachusetts.

John J. Ronan is a poet living in Massachusetts.

Jane S. Shaw is a journalist in Bozeman, Montana.

Sandy Shaw is co-author with Durk Pearson of *Freedom of Informed Choice: FDA vs. Nutrient Supplements*.

Clark Stooksbury is assistant publisher of *Liberty*.

Richard Stroup is an economist and a senior associate of the Political Economy Research Center of Bozeman, Montana.

Vin Suprynowicz is the assistant editorial page editor of the *Las Vegas Review-Journal*.

Richard Timberlake is author of *Monetary Policy in the United States*.

Timothy Virkkala is managing editor of *Liberty*.

J.W. Henry Watson is a consultant with New Caledonia Group, Inc.

Ida Walters is a consultant with New Caledonia Group, Inc.

Leland B. Yeager is Ludwig von Mises Distinguished Professor Emeritus of Economics at Auburn University and author of *The Fluttering Veil*.

account of Paul's theology, but a sketch of his character and a review of his background. And Wilson knows his limits: "We cannot write a biography of Paul in the same way that Tacitus or Suetonius has supplied us with colourful, not to say sensational, lives of Nero. But we can rediscover Paul's world — and Nero's world — and hope, in so doing, to understand something about the origins of Christianity and hence the origins of our own world" (p. 13). Perhaps wisely, Wilson does not spend much effort elaborating the provocative theory he floated in his earlier book, *Jesus: A Life*: that Paul not only knew Jesus but was one of the men responsible for his arrest and crucifixion. Wilson concentrates most of his effort on setting the stage for the rise of the early Christian movement in the Roman empire.

Wilson's exegetical method might best be seen as a debunking of Luke's Acts of the Apostles by deciphering the "acts of the epistles." That is, he shows the author of the book of Acts to be unreliable by contrasting his story with the stories that Paul tells. The method is not a perfect one, but it certainly has its charms.

Of Paul's sidekick Timothy's infamous ceremonial surgery, Wilson concludes a fascinating discussion:

The story of Paul going to the trouble of having his friend circumcised must, therefore, be one of those passages in Acts which are pure fiction. Famous as Paul is for inconsistencies, and for changing his mind — he is the most famous convert in ancient history — it is not possible to believe that he could write so eloquent a denunciation of circumcising the Gentiles and then consent to the operation being performed on his most trusted lieutenant simply in order to pacify "the Jews." His own letters bristle with a desire to antagonise "the Jews." (129)

The book ends on a rather vague note, appropriately reflecting what we know about Paul's end; that is, *precisely nothing*. Yes, there are various competing traditions about what happened to him after his house arrest in Rome, but the man who gave Christianity its most important expression of ideas is, in the end, a mystery: not "all things to all men," as Paul himself said — and certainly only a few things to A.N. Wilson — but not a closed book, either.

—Timothy Virkkala

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