

# Liberty

July 1994

Vol. 7, No.5

\$4.00

How Hillary  
Got Rich:  
The Inside Story

## An Anarcho-Capitalist in Castro's Cuba

*by Douglas Casey*

## The Special Interests Behind Clinton's Health Plan

*by Richard Fisher*

## Tribes in a High-Tech World

*by Leon T. Hadar*

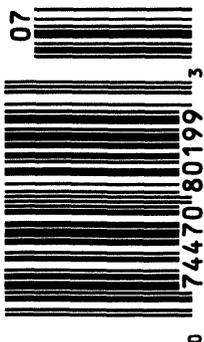
## Flogging the Press in East Asia

*by Bruce Ramsey*

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*by Mark Skousen*

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# Letters

## Think of It as Devolution in Action

R.W. Bradford ("Presidential Malpractice," January 1994) convinced me that something is really wrong with Clinton's health plan. Writing from Eastern Europe, the first (naive) impulse is to ask, *Aren't they learning anything from our bitter experience?* The answer is no. Why? Though my libertarian soul said "it can't be," I think Todd Seavey ("The Inevitability of the Welfare State," January 1994) has the answer: the welfare state is easier to maintain.

Writing from a formerly Communist state, I could add that the "prisoner's dilemma of the welfare state" explains why the transition from a centrally planned system to a relatively free economy has mainly taken the welfare-statist road. Everybody agreed we should get rid of Communism, but most sought to keep special government favors just in his or her case. And the former Communists now running the country are delighted by the idea of a welfare state. Think of it as spontaneous Communism.

Dr Mihail Radu Solcan  
Bucharest, Romania

## Goodbye, Social Register

I'm not sure why *Liberty* printed David Brin's paean to envy of the rich ("The Perennial Threat," May 1994). Brin raises that old canard about only a few (660,000) families "controlling" most of the nation's wealth. I think he's reading too much outdated redistributionist literature about the upper 1% and the need for a mythical "even playing field." For a reality check, compare the Forbes 400 in 1980 to the October 1993 edition, when it was dominated by former hayseeds who made new fortunes in the 1980s. The first thing you notice is that most of the names changed between 1980 and 1993, reflecting social mobility: the poor rose,

the middle class rose, but most scions of inherited wealth — the dreaded aristocracy of the Hunts, Gettys, etc. — dissipated their patrimony.

Anybody can quote numbers, so here are mine: From 1983 to 1989, the poorest 20% of Americans got 15% richer (adjusted for inflation). The real average income of the bottom fifth of Americans (as measured in 1989 dollars) was \$8,400 in 1983 and \$9,600 in 1989. The largest income gains in the 1980s were by women and the poor: on average, wages earned by women rose 11% more than men's wages. From 1983 to 1989, the average American's after-tax income rose more than 12% — and for the poorest 20%, income rose 16%. Most (86%) of the lowest fifth of Americans in 1980 moved up to the middle classes, 60% of the second lowest quintile moved to the upper three-fifths, and 47% of the middle fifth moved upwards.

Brin may have had a point back in 1980. After years of high income and capital gains taxes, the Forbes 400 list looked like the social register, with more inheritors than creators of wealth. Today, it is mostly a list of entrepreneurs. Take the richest five Americans in 1992:

- Sam Walton was a failed hat salesman who drove a pickup truck to work each day. Before he died, he had created many millionaires by paying them Wal-Mart stock.

- Bill Gates was a Harvard dropout and classic computer nerd.

- John Kluge was a poor German immigrant who bought a Maryland radio station with \$7,000 in poker winnings, after making \$7 a week bussing trays in school. (After he got rich, Kluge gave \$60 million to Columbia University for minority scholarships. So much for greed.)

- Warren Buffett saved money from his paper route, sold six-packs of Coke for a penny profit per can, saved it all, invested it in stocks as a kid, and created \$4.4 billion from nothing but his brain. He still lives simply, and hardly owns a suit.

- Sam and Don Newhouse are the sons of poor Eastern European immigrants. They still get up each morning at 4:45 to go to work — as do my neighbors, the billionaire Mars brothers.

The true aristocrats are Mr and Mrs Clinton, Robert Reich, Al Gore, Ira Magaziner, Donna Shalala, Laura Tyson, and all those Beltway Banditos who claim to

be superior arbiters of wealth through no proven market contest. Can you imagine failed hat salesman Sam Walton convincing Rhodes scholars like Reich or Magaziner to bankroll his idea of a chain of low-rent discount shops in the poorest regions of the country? Not a chance.

Don't attack the wealthy, please. Old Reverend Ike had it right: "The best way to fight poverty is to not settle for being poor." Envy only seeks to destroy wealth.

Gary Alexander  
Reston, Va.

## Back to the Republican Party

James Ostrowski ("Back to the Libertarian Party," May 1994) argues that the Libertarian Party is the only plausible catalyst for the "radical, libertarian change" he asserts is the only hope for libertarian values in America. There are, it seems to me, a series of flaws in his argument.

The American body politic abhors radical movements. Nearly every successful presidential candidate has been a candidate of the middle, and both of the parties that have succeeded in the twentieth century have succeeded because of their ability to act as broad coalitions rather than as agents for radical change. Candidates who have been perceived as radical, such as George McGovern, have failed miserably. One reason why the Libertarian Party has not been successful nationally, I submit, is the unwillingness of LP candidates to downplay some of the more controversial and radical aspects of the party platform. Additional factors, such as Howard Stern's Libertarian candidacy in New York, perpetuate the notion that the LP is not an organization to be taken seriously — and this, in turn, affects the extent to which libertarian ideas are taken seriously. Running on the radical platform Mr Ostrowski favors, the Libertarian Party has failed to establish itself as a political force.

One can dream of the creation of a pure libertarian society in the United States within a generation, but the likelihood of this happening is low, as is the likelihood that it could be successfully achieved by a mere political party. It is clear that, when radical change has occurred, it has come gradually and been preceded by a period in which the intellectual and political support for the changes was established. Political parties and the election process are not appropriate vehicles for the kind of ideological changes that must take place. Therefore, investing resources in a radical political

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## Letters Policy

We invite readers to comment on articles that have appeared in *Liberty*. We reserve the right to edit for length and clarity. All letters are assumed to be intended for publication unless otherwise stated. Succinct, typewritten letters are preferred. Please include your phone number so that we can verify your identity.

# Reflections

**The mass murder thing** — Undomesticated Republicans and talk show cranks keep hinting, with all the subtlety of a Nicholas Cage comedic performance, that Billary had Vince Foster bumped off. This may be preposterous, but why, pray tell, is it unthinkable? Is it because murderers usually kill a single victim, while presidents slaughter a multitude?

George Bush, advertised to all the world as the embodiment of WASP decency and self-effacement, ordered the indecent effacement of a couple hundred thousand fellow human beings who posed no threat whatsoever to his person or his realm. By my reckoning, George Bush = Charles Manson x 30,000. Manson, to judge from his *tête-à-tête* with Kissinger sex kitten Diane Sawyer, is a far wittier and more compelling speaker than the aphasic Bush, but while both are fated to live out their disgusting lives on the dole, no baseball team ever invites Crazy Charlie to throw out the first ball of the season. If only he'd been elected to something . . . —BK

**Howard the yuck** — With the nomination of Howard Stern for the New York governorship, the Libertarian Party has found its best chance to move from "funny peculiar" to "funny haha." All those party loyalists who shake their pocket protectors and shout "We're not a joke" should review the last election totals.

And just why do people fear a Governor Stern — do they think he'll spank strippers in the capitol? As if it hasn't happened before! —JB

**Your tax dollars at work** — According to official sources, 250,000 drug addicts and alcoholics are currently receiving payments amounting to some \$1.4 billion per year from the Social Security Administration for their "disability." The number of addicts and alcoholics receiving Supplemental Security Income more than tripled in the past three years, evidently because the good news is spreading fast among degenerates.

Meanwhile, a recent HHS study has found that, in a sample of those receiving SSI, some recipients have been collecting benefits for as long as 19 years. The most common reason for termination of benefits is death.

So this is the culmination of our civic history. First, our distant forebears submitted to taxation because the levies were devoted exclusively to purposes in the general interest, such as protection of rights to life, liberty, and property. Then, our grandparents and our parents submitted to taxation even though the money taken from person A was often spent to promote the exclusive well-being of person B, as when government subsidies were paid to farmers for not growing crops. Finally, we submit to taxation so that drunk-

ards and junkies can obtain their preferred poison without the inconvenience of working. —RH

**Warriors on drugs** — Washington insiders now refer to drug "enterprise," a noticeable change from the '80s, when drug activity was likened to devil-worship and cholesterol-laden breakfasts. But the new terminology only masks business as usual. For those who found solace in the Clinton administration's apparent "soft on drugs" attitude, the House crime bill offers a reality check.

In an effort to "get tough on crime," our congresspeople have included in their bill provisions to execute drug traffickers and allow a felony drug offense to count as the third strike under the "three strikes, you're out" plan. One plan still on the table would stiffen crack cocaine offenders' penalties, so that where possession of 500 grams of powder cocaine would net you five years in jail, a mere *five* grams of crack would provoke the same sentence. Powder cocaine, you see, is for Hollywood and Wall Street, while crack is for colored folks in Harlem and South Central L.A.

The only things going "soft" in Washington are the legislative noggins. —RP

**Hooray for Hollywood!** — Considering Hollywood's normal eagerness to dramatize the alleged crimes of the wealthy and powerful — and even the poor and humble — one would expect eight or ten miniseries and an Oliver Stone movie concerning the adventures of the Clintons to be announced forthwith. The story has everything — sex, suspicious death, financial scheming, the fate of the Republic, brave investigative reporting. Hollywood should make a mint.

What! No plans for commercial exploitation? Can it be that Hollywood is after something other than money? —SC

**Sex and the singular president** — Paula Jones's allegations about Bill Clinton don't ring true to my ear. Jones is the former Arkansas state employee who is suing the president for sexual harassment. She claims that in 1991, Clinton had a state trooper assigned to protect him (i.e., his personal servant) invite her to a late-night meeting with the governor in his hotel room. Apparently figuring he was interested in her ideas about economic development, she went to his room only to find him with no pants and an appetite for oral sex.

What's wrong with her story? For one thing, it seems unlikely she went to his room without any clue that he might have sexual activity in mind. Surely, she had to suspect that a proposition was in the offing.

More importantly, Clinton's record as a philanderer shows considerably more discretion than this. He seems to have chosen his paramours carefully, with an eye toward es-

establishing quick, easy, convenient, and discreet sexual relationships. Greeting a previously unbedded woman without his pants would be asking for trouble.

In support of her theory, Ms Jones claims that she can provide certain identifying characteristics of his gonads. If she is able to do so, it will hardly prove her case. She could just as easily have gained familiarity with his privates in the process of having consensual sexual relations with him.

Of course, her positive identification of his privates would pretty much prove that Clinton lied when he said he hadn't had relations with Jones. But that's not news — we all know Clinton has lied about his sex life for years.

Jones's charges against Clinton have a lot in common with Anita Hill's charges against Clarence Thomas. In each case, a pretty much unknown woman accused a prominent public person of sexual behavior that is unacceptable by the standards of most people today. Jones's allegations are grosser than Hill's, of course. But they appear identical in one respect: they consist of allegations that cannot be proven or disproven. The only evidence we have is the statements of the alleged victim and victimizer.

So the issue comes down to who is more believable. Just as the public had to decide whether Anita Hill was more credible than Clarence Thomas, now a jury will have to decide whether Paula Jones is more credible than Bill Clinton. (If, of course, the case goes to trial. The president's attorney is already trying to quash it by claiming executive privilege — where have we heard that one before? — and it might be thrown out on a number of procedural grounds.)

Anita Hill's handlers were unable to come up with so much as one other victim of Thomas' alleged harassment, a fact that weighed heavily in the court of public opinion. Will Jones's handlers be more successful? Sure, there seem to be lots of women with whom Clinton has had casual sex. But all such relationships that have come to light so far that I have read about are plainly cases of consensual sex. They might hurt Clinton in the court of public opinion — I think most Americans prefer a president who can control his extramarital sexual urges, or at least keep them private — but they won't hurt him in court.

—CAA

### ***Out of the fire and into the frying pan*** —

The end of history is bunk. It's 1994, and scores of Communist tyrannies have been replaced by ex-Communist tyrannies. Armenia and Azerbaidjan and Georgia and Moldova and Bosnia have fallen into civil war. Jeffrey Sachs and his ilk have brought shock-without-therapy to a beleaguered Russia, now squeezed between *putschist* Yeltsin and lunatic Zhironovsky.

The digital revolution of encrypted anarchy and convivial infobauns seems to be giving way to a clipper-chipped world of universal surveillance. The public anger that once seemed so promising has produced a platoon of competing *poseur* populists, from Rush Limbaugh to Bob Dole to Hillary Clinton to Ross Perot.

Now apartheid is dead. Nelson Mandela is

president of South Africa. A new government is in power, placed there by elections that were, if not wholly free and fair — vote-rigging has been documented on more than one side — at least freer and fairer than any other election in the country's history.

I hated apartheid. I should be smiling. Were this 1988, I would be. But I'm afraid the thrill is gone.

Sure: there are still about as many things going right in the world as are going wrong. The revolutions we've all thrilled to are not yet wholly betrayed, and the simple fact that apartheid has died is worth celebrating. Old power structures are falling left and right, and we may yet emerge from this decade dazed and bloodied but freer. But the last five years have been an ongoing reminder that nothing in life is so certain as death, taxes, and counterrevolution.

Many conservatives are upset with the rise of Mandela — predictably, for all the wrong reasons. I don't really care that the ANC includes Communists, or that it fomented revolution, or that a minor power-seeker named Buthelezi, formerly subsidized by the apartheid regime, won't get the high position he seeks. I *do* care that the new government is offering an unworkable program of vast public works schemes and welfare rights for all, rather than any approximation of a free social order.

I don't expect to see South Africa dragged under by white flight, total collectivization, or perpetual civil war. I expect it to carry on drowsily, slowly slumping under the weight of the same statist load that's pulling down so much of the rest of the world. And that's wearying and sad.

—JW

***And into the fire again*** — I wish I could be as optimistic about the future of South Africa as Jesse Walker (above). But I think there is a very substantial possibility that white flight, total collectivization, perpetual civil war, or some combination will follow the election of Nelson Mandela.

The ANC's embrace of statism will result in a quick and sharp economic decline. What will happen when the ANC state is unable to deliver the jobs, the schools, the hospitals, and the civil peace that it has promised? How will it react when the people, whose expectations have risen so high, discover that revolution did not bring the paradise they were promised?

The ANC's rejection of federalism and embrace of majoritarianism make it likely it will respond by rewarding its constituents at the expense of other ethnic groups ("tribes," in media parlance). Nor does the inclusion within the ANC leadership of the South African Communist Party bode well. The SACP has been caught in a time warp; its policies are akin to Soviet policies of the 1950s. Surely it will react to the inevitable economic crisis with renewed calls for collectivization and an even more powerful state.

I hope I'm wrong. I hope South Africa will become an outpost of civilization on a thinly civilized continent. But I fear I am right.

—RWB

***P.C. smokes*** — I was not around to witness Carry Nation's antics, and booze was prohibited long before my time, but I am starting to understand what it was like in the days

### Liberty's Editors *Reflect*

CAA	Chester Alan Arthur
JB	John Bergstrom
DB	David Boaz
RWB	R.W. Bradford
SC	Stephen Cox
BD	Brian Doherty
RH	Robert Higgs
BK	Bill Kauffman
BtK	Bart Kosko
PL	Pierre Lemieux
RP	Robert W. Pogue
SS	Sandy Shaw
CS	Clark Stooksbury
JW	Jesse Walker
LBV	Leland B. Yeager

when temperance zealots overwhelmed good sense. There are still people out there who want to regulate alcohol out of existence, but today's target is the lowly cigarette, a tiny, inanimate stick that stands accused of mass murder. This country's ruling class is dominated by secular puritans who want to put a chastity belt around the national lungs.

In Washington, the heads of seven tobacco companies were called before a congressional committee — described by even Morton Kondracke as a star chamber — to account for their behavior, and were held up to much public ridicule for denying the addictiveness of tobacco. The testifying CEOs exhibited the usual spinelessness of corporate executives confronted with crusading politicians. Their actions were understandable, even if annoying: they know that one must handle the subject of addiction gingerly when the biggest junkies of all are on the other side of the microphone. One look at the arms of Henry Waxman (D-Calif.) and his congressional henchmen reveals the ugly tracks that come from years of mainlining tax dollars — much of it from the coffers of big tobacco.

Waxman must continually increase his sources of revenue to be able to mind other people's business. Interestingly, *Seattle Post-Intelligencer* columnist Solveig Torvik reports that in 1992 Philip Morris was the largest tax collector aside from the government. This reality confronts Waxman & Co. with a dilemma — they desperately want to give us a health care system not unlike the one that Adolf Hitler (a fanatical anti-smoker, by the way) gave to those subjects he allowed to live. To do this, they need more money. They are willing publicly to humiliate tobacco executives, harass smokers, and trample on the property rights of businesses. But dare they kill the goose that lays the nicotine-stained eggs?

One cigarette manufacturer may have come up with an effective way to counter the anti-tobacco cult. I refer to "Natural American Spirit" cigarettes, whose package features a silhouette of an Indian chief taking a drag from a peace pipe. It speaks volumes about the failure of corporate imagination that none of the big companies thought of this marketing scheme before. As much as the imperial nannies in Washington may hate to admit it, tobacco was not invented by Jesse Helms and R.J. Reynolds to kill off black people. No: it was introduced to Europeans by the noble (and infinitely correct) Native American. In today's culture, that fact alone leads inevitably to the conclusion that the leading anti-tobacco spokespersons — Henry Waxman, Robert Reich, Joycelyn Elders, FDA czar David Kessler, indeed anyone who does not suck down a couple packs a day — are nothing but a bunch of racists, bigots, and hate-mongers. I suggest that they all be sent to mandatory sensitivity training forthwith. Only when they are able to properly honor our oppressed American forebears may they rejoin polite society. —CS

**This is the World Bank! Get that hat off your bed!** — Two things our very rich culture is adept at producing are data and conclusions. But are these data and conclusions adding to our desperately desired store of *episteme* (knowledge), or are they just beefing up our already overflowing supply of *doxa* (opinion)?

I don't mean to denigrate *doxa*, but it oughtn't disguise it-

self as its more regal cousin. Government and the organizations it sponsors are experts in flooding the world with opinion, most of it larded with numbers that count for nothing, written in jargon that says nothing.

This week's model: a recent World Bank study that highlighted a newly discovered but as-yet-incalculable element that explains the growth rates of those nations that manage to exceed World Bank projections. What might it be? Amount and speed of privatization of state-owned properties? Low taxes? Eliminating trade barriers? A well-educated populace willing to work hard and save?

Well, all of those may or may not have their place, but the key is . . . luck. Yes, "luck determines to a large extent how prosperous a country will be," to quote the AP summary of the report. I shudder to think of the mathematics the World Bank uses to back this up. And I wonder: isn't it just possible that this wrinkle on chaos theory is merely a cover for the World Bank's manifest inability to get its predictions straight? And mightn't this inability result from an institutional failure to appreciate the factors I listed above?

There is altogether too much "data" clamoring for our attention, much of it undemanded and most of it bogus. *Doxa* can be fun; I certainly spend more time opinion-surfing than I do diving into *episteme*. But to be worthwhile, *doxa* must be smart, or witty, or have some spark, or shimmer with beauty, or at least entertain.

Now, if the study had gone on to recommend that nations expend World Bank funds to establish Ministries of Luck — bureaucracies to research their nation's lucky numbers and lucky days, insuring that black cats cross no one's path and that no one sings carols when it's not Christmas — well, maybe it would have justified itself. —BD

**Don't worry, be happy** — Writers in such magazines as *Business Week* and *U.S. News & World Report* and supposed experts interviewed or quoted on TV and radio are preaching complacency about inflation. Inflation is dead, they assure us, and shows no signs of reviving. The Federal Reserve should stop grappling with ghosts and turn toward promoting business recovery and economic growth.

All this illustrates Jacques Ellul's comments about the public's obsession with short-run news, and its impatience with analysis and reflection. "Public opinion revolves only around problems of the immediate present. Opinion shapes itself only on matters that seem important to people *today*," he wrote in *The Political Illusion*. "The man who lives in the



"I'm afraid that's pretty low-priority right now, Ma'am — what with inflation and all, we don't take counterfeiting very seriously anymore."

news . . . is a man without memory." Even alleged experts seem to forget that major price-level movements typically lag a year or two — or more — behind the changes in the money supply that cause them.

People are likewise complacent about government budget deficits and the soaring national debt. The public has grown used to them; they have brought no catastrophe so far; they are not news. What *can* count as news is whether the latest deficit estimates are bigger or smaller than earlier forecasts and, more notably, what the political implications are of purported efforts to deal with the deficit. Only exaggerations about what has now become a chronic condition can grab the public's attention.

Inflation, deficits, debt, and complacency all intertwine. The link is not that deficits cause inflation; in themselves they do not. The link is that sooner or later the government may resort to printing money to meet mounting interest charges and redeem maturing bonds, once borrowing from Peter to pay back Paul becomes too expensive. And this is likely to happen — unless, of course, major budgetary reform (including political reform) somehow occurs in time. Other countries have taken this resort. Why couldn't it happen here?

What do the apostles of complacency think determines the value of money? Why, in their view, does the dollar buy less now than earlier? Why does it purchase less than a British pound, more than a German mark, and hundreds of times more than an Italian lira? The question, I suspect, never even occurs to most of them. They suffer from what Irving Fisher has called the money illusion: that the dollar simply *is* the measure of value, just as the meter and kilogram are measures, stable measures, of length and weight. On that view, changes in dollar prices reflect only changes in the scarcity values of those things, not changes in the scarcity value of dollars themselves.

Actually, money's value is precarious. No longer is the dollar or any other of the world's currencies defined to have a definite purchasing power over *anything* — not gold, not some other commodity, not a bundle of goods and services.

Not all the so-called experts preach complacency, of course. Some are "inflation hawks," or "deficit hawks," or both. The Federal Reserve is forever hearing contradictory advice about how it should grope its way from episode to episode. Most of these advisors mistakenly believe that the Fed has the job of setting interest rates and the power to do so. They do not understand that interest rates are market prices with allocative functions to perform. Sure, the Fed can interfere with short-term rates — and does so, regularly — but at the amply illustrated risk of negative repercussions.

So the value of the dollar rests on nothing more than how the Fed chooses to react to ever-changing economic news, amidst contradictory and ill-informed advice and political pressures. It is this undefined character of today's money that requires our attention. —LBY

**Occam strikes back** — Reader Randy Debber opines (Letters, May 1994) that libertarians fail to realize that the world is "an extremely complicated place where right and wrong are not easily established" in a mere 100 or even 1,000 laws, as I suggested in the January *Liberty*. He then offers numerous examples of such complex situations. (He

missed this one: a dog runs out in front of me, resulting in my accidentally stepping on its toes, wherein the dog runs in a panic into the street, where a car swerves to avoid it and runs over Debber. Who is at fault — me, the dog, the owner of the dog, the driver of the car, Debber himself, or *Liberty* magazine?)

But my suggestion that there are too many laws has nothing to do with a belief that things are simple. In fact, the more complex a situation, the less likely you are to solve its problems by attempting to anticipate every possible permutation of events and writing a specific law, rule, or regulation to deal with all of them. That is like trying to centrally plan an economy. When you have large numbers of laws that apply only to very specific events and are not derived from and defined by broad principles, you invite legal chaos. No one can ever be clear as to what is or is not permitted under what conditions, since nobody can ever know more than a small fraction of the rules. Far better to set down the basic legal principles and allow their applications to emerge through precedent.

Furthermore, the costs of enforcing a rule increase with the number of people willing to break it. Any legal system is unstable to the extent that there exist sizable minorities who strongly disagree with some or most of the rules. It's very difficult to come up with even 100 rules most people would agree with. What rules *would* be supported by most people? Laws against murder, theft, rape, and a few other actions.

Finally, it's not necessarily a good thing for the law to deal with most issues of right and wrong. Many things are "wrong" — e.g., judging a person's suitability for a job on the basis of how good-looking or fat or tall they are — yet, in a free society, most such decisions should still be left to individuals, not rulebooks or guns or prisons.

Debber brings up some important questions — how does one define property rights, what constitutes liability, etc. But the answers to these questions — or, rather, the consistent guiding principles for determining answers — would *simplify* a legal system, *reducing* the number of laws needed. One of the problems with our current system is that such basic legal matters are treated in contradictory ways by the huge number of constantly proliferating rules and regulations.

A mere thousand laws would make more sense. Hell — a mere hundred laws might do. And I'd love to live in a political community that could get by on only ten. —SS

**Gunfight at the paleo corral** — Pat Buchanan and his paleo pals have an ornery dislike of globalism. "We love the old republic," says Buchanan, "and when we hear phrases like 'New World Order' we release the safety catches on our revolvers."

What Pat doesn't seem to know is that revolvers do not have "safety catches." Maybe we should expect an effete neocon like William Bennett not to know this, but Buchanan should be held to a higher standard. A *real* paleo should know his weapons. —CS

**Spinning out of control** — On March 30, David Gergen appeared as a guest on a C-Span call-in program, ostensibly discussing his career as a journalist, but offering surprising evidence about how the Clinton administration hopes

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to divert public attention from Whitewater. Apropos of nothing, after responding to what the host had said was the final question, Gergen gave the following monologue:

I just want to come back to one thing, look, since this is the last call. Ah, these issues are difficult, I know, for a lot of us to sort out. And I don't think anyone in the White House staff can claim to have absolute knowledge of any of this. We simply don't have time, nor is it appropriate for us to go back, and as a member of the staff, and look at 14,000 pages of documents about a company that was started 16 or 17 years ago, whatever the number of years ago are.

What I do think is important is that the president has set up a process — he's been involved in full disclosure — and we go forward on Whitewater. And the same time, I think what's very important is that we go forward with the rest of the nation's agenda. And, you know, some of us may agree or disagree about what the president's particular proposals are. You know I've come into an administration where I don't always find myself in agreement with my colleagues, naturally enough. I come out of a different, you know, political tradition coming into this White House. They, they asked me to come in. I've tried to be, I've tried to be as straightforward and honest about that as possible. Ah, but the critical thing is not whether I agree — any one of us disagrees — about a particular proposal. The critical thing is about whether we come together and get a move on these things. We cannot sit here as a country for the next three or four years and be so preoccupied with Watergate, with Whitewater, that we don't deal with these other issues. Let's deal with Whitewater. Let's be serious about it, upfront about it, involve full disclosure, but in the meantime let's get on with dealing about the way people live in their homes, let's get on with the crime program, let's get on with education, let's get on with welfare, and let's get on with health care reform.

Gergen gave the appearance of speaking extemporaneously, but during the 93 seconds it took to say those 346 words, he consulted his notes 23 times. Prior to this point, he spoke directly into the camera, without looking down at his papers. So it seems safe to conclude that here we have a conscious, planned attempt to put a particular spin on recent events.

Let's examine what he said more closely, and see what impressions he is trying to create.

1. *Whitewater is very complicated and confusing for "people like us" to understand, involving thousands of pages of documents about events that took place a long time ago.* The spin here is the implicit suggestion that these events are not very important, since they happened so long ago and are very complicated. He neglects to mention that white-collar frauds are almost always complicated, and that most people care whether the president has stolen from the taxpayers, even if he did so some years ago.

2. *What's important is that Clinton is responding to all questions with a policy of "full disclosure."* Although Gergen figures Clinton's "full disclosure" is so important that he mentions it twice, he doesn't mention that Clinton resisted Congressional inquiries and refused for months to appoint a special counsel to investigate Whitewater. Nor does he mention that Clinton's policy of "full disclosure" applies only to responding to subpoenas.

3. *Gergen himself can't vouch for Clinton, but the issues are very complicated, and it's not his job to understand them, and anyway he is an independent who doesn't necessarily agree with others*

*on the White House staff.* Here Gergen is protecting himself from future fallout from Whitewater — and inadvertently revealing that he fears Whitewater will at least seriously wound the Clinton administration.

4. *The country's priority should not be Whitewater, but rather the "nation's agenda: dealing about the way people live in their homes . . . the crime program . . . education . . . welfare, and . . . health care reform."* The issues that Gergen believes the country and the president should focus on are Clinton's legislative agenda. Curiously, four items on that agenda — crime, education, health care, and welfare — are traditional responsibilities of the private sector and state and local governments.

And I don't know about you, but personally, I was not convinced that I ought to quit worrying about Whitewater and get back to the "nation's agenda," especially if one of the issues is "the way people live in their homes," the other item Gergen thinks merits our attention rather than the question of whether Clinton has committed fraud.

And isn't it interesting that Gergen slipped and said "Watergate" instead of "Whitewater"? —CAA

**Legal abuse, part 2** — In the March *Liberty* I reflected on the case of an athletic 24-year-old man who ambushed and killed his former junior high school teacher, then pleaded not guilty by reason of abuse. The defendant's lawyers say that he suffered from "battered person syndrome," caused by a ten-year homosexual relationship with the overweight, middle-aged teacher.

Now there's more. Claiming that he was raped more than a dozen times over a period of three years following his year in the teacher's class — a new allegation — the killer is suing the teacher's estate and the Seattle School District for damages.

Readers will recall the apocryphal case of the man who murdered his parents, then solicited the mercy of the court on the grounds that he was an orphan. The case at hand adds a new twist. In the current legal environment, one may not only hope to escape punishment by pleading not guilty, "by reason of abuse," to an admittedly premeditated homicide; one may also hope to profit from the killing at the expense of the heirs and the taxpayers. —RH

**Confederacy of Martians** — I hate to admit it, but I did not invent the idea. Credit is due to Jean-Luc Migué, a professor of economics at the Ecole Nationale d'Administration Publique, the branch of the Université du Québec that caters to bureaucrats. Many years ago, Migué told me that when he explained public-choice theories and the free market to his civil-servant students, they looked at him like he had come from another planet — as though he were a *Martian*.

I helped popularize the idea, though. I started many years ago, by submitting an article on Martians to one of the main Montreal dailies. It was turned down. A few weeks later, the same enlightened newspaper published a piece claiming that "Newton's theory," which apparently holds that black is the absence of colors, was a patently false product of pure Western racism. Find the *Martian*.

According to my definition, he is a *Martian* who believes that customs bureaucrats have no right to search luggage, that people should refuse to be numbered in the name of social se-

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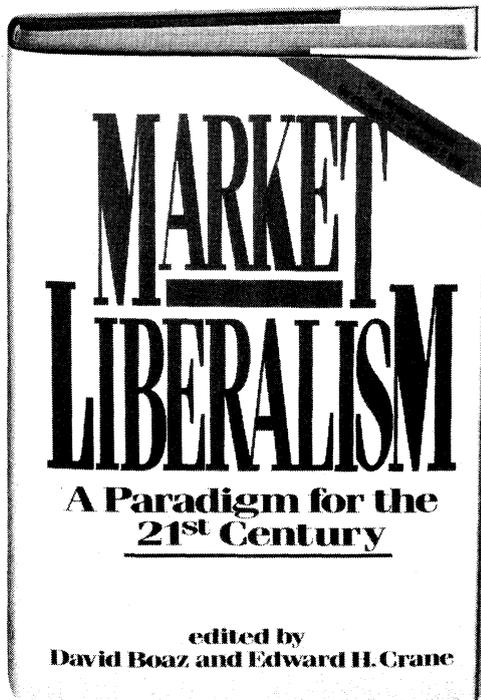
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curity or social insurance, that requiring state authorization to own firearms is illegitimate, etc. "Mom! The green creature over there thinks that humanity would probably survive without driver's licenses!"

When asked how I would define myself politically, I answer: "A Martian. A citizen of the Martian Confederation, a virtual country of sovereign individuals." —PL

**Hillary's indulgences** — I am generally reluctant to offer psychological explanations of the behavior of people whom I do not know well, but it occurs to me that perhaps there is a connection between Hillary Rodham Clinton's record of greed and corruption in Arkansas in the 1970s and 1980s and her single-mindedly moralistic campaign on behalf of government takeover of the medical care industry. Successful criminals have long been inclined to invest part of their loot in charitable works, on the theory that by doing good they can justify the evil they have done or at least atone for their sins. Just as a Mafia capo buys a new church for his village or a cocaine king buys a soccer stadium for his city, Rodham Clinton may be trying to give the American people something that in her perverse way of thinking will atone for her fraud against them. —CAA

**Downloading Big Brother** — According to a recent report in *Le Monde*, the Chinese government is trying to reaffirm its monopoly on communications, including cellular phones, faxes, computerized databases, and e-mail. A Chinese newspaper wondered how "the people" (i.e., the state) could be secure if the government loses its grip on communications. The U.S. government wants a monopoly of encryption standards, in order to be able to eavesdrop on phone and computer communications. In 1986, the French government included encryption software in the category of "war weapons," prohibited without a special authorization.

Technological progress has been one of the most intriguing phenomena of this century — intriguing, because one would have thought that continuous government growth would stifle it. Of course, we don't know how much knowledge and technology would have advanced without the constant inroads of the state, and we do know that great inventions do not come from the most regimented countries. Yet technology has not ceased progressing, up to the recent information revolution, which may be the most far-reaching of all technological revolutions.

Consider: I am writing this article on my portable computer in Montreal. When it is finished, I will press RETURN and my fax-modem will send a string of bits to *Liberty's* fax machine, 3,000 miles away, through a complex grid of phone lines, digitized exchanges, and satellite channels. If *Liberty* were on e-mail — I'm working on it! — my communications software would send the computer textfile to a Université du Québec mainframe, which would relay it to the Internet, an informal and anarchic network of thousands of computers linked through phone lines. From there, in a matter of seconds, my subversive piece would find its way to *Liberty's* electronic mailbox, deep in the memory of a computer humming in the night, somewhere on the continent. Customs bureaucrats would not see my message cross the border, and I could even encrypt it, in case my line (or *Liberty's*) is tapped.

For the first three quarters of this century, technological progress mainly brought grist to the tyrant's mill. Without modern technology, the state would be incapable (at least in an open society) of levying outrageous taxes directly on payroll or sales, controlling people at the borders, or following individuals from the cradle to the grave.

Now this has probably changed, thanks to the advent of personal computers, faxes, modems, satellite dishes, and the relatively cheap and easy communications they make possible. The new technologies have put the same potential computing and communication powers in the hands of individuals as in the hands of the state. Which explains why the state wants to control them.

The state will have no shortage of excuses, for technology can also be used for real criminal purposes. Under the Internet's "Anarchy" category, I've found files that explain how to convert a semi-automatic weapon into a full-automatic, which is fine by me, but also how to fool a money-changing machine or steal a car.

The fight for control of communications and computer networks is one of the most crucial battles on the horizon. What I fear is the ease with which the typical statist intellectual might be persuaded that he must get a license to own a modem. The license would, of course, be easy to obtain — initially. Who is afraid of state power? —PL

**P.C. sports** — The National Football League has put its foot down: the names of the franchises to be awarded this year must not be offensive to racial or ethnic minorities.

There was a time when Americans named just about everything after Indians. In professional sports, there are the Cleveland Indians, the Golden State Warriors, the Kansas City Chiefs, and the infamous Atlanta Braves. Outside sports, there's the Mutual of Omaha Indian, the Land O' Lakes Butter Indian, and the wooden chief who guards cigar stores. To make such a reference today is now a *faux pas*, but not a felony. But this may soon change: a U.S. congressman introduced legislation last year that would make it illegal for the Washington football team to be called the Redskins.

Native Americans are hardly the only ethnic group to become an athletic moniker. There are the Boston Celtics and Notre Dame's Fighting Irish, who for some reason have not raised any Gaelic ire — how like the Irish to turn an insult on its head! And in professional football, there's the Minnesota Vikings, which, when you think about it, can be taken as a double slur: demeaning the blue-eyed blondes of the inland and reminding Italian-Americans that Christopher Columbus did not discover America. Thoughtcrime!

But that's only the surface of the problem. When teams relocate from city to city in search of the almighty dollar, they are often faced with the choice of adopting a new name or embarrassing their new fans. When the basketball team called the Jazz moved from New Orleans to Salt Lake City, did they stop to consider how retaining their name would reflect on the repertoire of the Mormon Tabernacle Choir?

And did the Los Angeles Lakers keep their name, when they departed Minneapolis, to constantly remind Angelenos of the scarcity of water in southern California? Or did they — like the Dodgers, whose name refers to Brooklyn's old "trolley dodgers" — keep their name out of respect for the culture of

Tinsel Town, where everything is either imported or completely artificial?

Each time a baseball team named the Washington Senators left the District of Columbia, it changed its name — one to the Minnesota Twins; the other, the Texas Rangers. Rumor has it a witness protection program helped these teams establish their new identities, as no one outside the Beltway wants to be known as a member of Congress.

Then there's the Oakland Raiders. They may have moved from Oakland to L.A., but everyone knows they're still the Oakland Raiders.

Names for sports teams should communicate admirable strength. Given the strictures of P.C., this just about rules out everything but animals. But all the obvious names — lions, tigers, and bears — have been taken. Just about all the birds of prey have been accounted for: eagles, falcons, seahawks — even bluejays, cardinals, and orioles. In recent years, some teams have tapped the aquatic kingdom; hence, the Dolphins, the Penguins, and the Sharks. (The Sharks' logo is *the* hot item in sportswear right now, even though nobody knows either the sport or the city they represent.)

This is why one recent bidder for an NFL franchise asked to be the "Rhinos." It was either that or the duck-billed platypus. And, given the platypus' status on the endangered species list, naming a team after it would be an exercise in poor planning.

—Guest reflection by Clifford Thies

**Justice Oprah** — Justice Blackmun's retirement from the Supreme Court brought the inevitable teary testimonials. A prime example came from Anthony Lewis of the *New York Times*, who effused that Blackmun "got in touch with the human beings behind the legal principles," and quoted a former Blackmun clerk who said the justice "decided to give his voice to the excluded, the powerless." The editors of *USA Today*, in their own inimitable style, praised Blackmun for "bringing a sense of humanity to the bench" and having an "abiding concern for the fairness for the little person"; that is, ignoring the Constitution and trying to make his personal prejudices the law of the land.

Contrast all this mush with Joseph Epstein's profile of Antonin Scalia in the July 1993 *Playboy*. Epstein is critical of Scalia's decision in the 1992 St. Paul, Minnesota "hate speech" case for not talking enough about his feelings:

The bright line logic of his opinion could hardly be clearer. Free can only mean totally free; neutral means neutral. As

landmark opinions go, however, this one is singularly uninspiring. Even Ed Cleary [the winning lawyer in the case] felt puzzled when he read it. By any reasonable measure, the document was a remarkable victory for free speech and a triumph for Cleary. Yet the solo practitioner from St. Paul found himself wishing that Scalia, in all his lofty, steely rigor, had loosened up enough to talk about ordinary people's pain, as Brennan might have done, to say that the first amendment can demand terrible sacrifice in exchange for its protection.

Article III, Section 2 of the Constitution gives the Supreme Court the power to hear cases "in law and equity, arising under this Constitution, the Laws of the United States." Somewhere in the last 200 years, this passage has been amended: now the Supreme Court is apparently charged with hearing cases "in compassion and sensitivity, arising under this Constitution, the Laws of the United States, and Feeling Your Pain."

This replacement of Holmes and Brandeis by Phil and Oprah is a dangerous thing. When someone like Blackmun fills an opinion with compassionate rhetoric, it serves as a cover for the fact that he is manipulating the law to achieve the result that he desires. Legal decisions based on the desires or feelings of judges undermine the notion of adjudicating disputes according to objective standards embodied in legal code and precedent.

That is to say, they undermine the whole *raison d'être* of law.

Although less dangerous than the other branches of government, the Supreme Court has become increasingly menacing in the last few decades. Most of its transgressions have been sins of omission. It has utterly failed to restrain the other two branches of the federal government, to the point where the commerce clause (the justification for most federal legislation), the separation of powers, and the tenth amendment have been rendered meaningless. The justices have ceded for themselves the right to raise taxes, distribute children among various public schools, redraw state legislative districts, and a host of other functions that James Madison or John Marshall would be surprised to learn flow from Article III. And much of this power-grab has been accomplished by loading decisions with the compassionate happytalk for which Justice Blackmun has been so glowingly praised.

—CS

**Business as usual** — Erstwhile peacenik Congressman David Obey (D-Wisc.) wants us to invade Haiti. His colleague Frank McCloskey (D-Ind.), having read several



magazine articles on Bosnia, wants to make war on the Serbs. Senator Paul Simon (D-Ill.) wants American boys to don blue U.N. helmets and massacre intransigent bohunks and darkies around the globe, though he does allow that the Teenage Mutant Ninja Turtles are too violent and ought to be pacified by the FCC.

The Vital Center wins again. The McGovernite Democracy, whose motto "Come Home America" contained patriotic truths far beyond the ken of Nixon Republicans, is dead. Be happy and contented, all ye who fretted that the Democrats had drifted so far left that such Party of the Potomac stalwarts as Scoop Jackson and Hubert Humphrey died homeless. The responsible salad-fork Democrats who gave us both world wars, Korea, and Vietnam are back in the saddle. Hit the remote, turn on CNN's War of the Week, and breathe a sigh of relief that reason has triumphed, the Left is vanquished, and the bodybags are filling. —BK

**Not smart enough** — Bosnia-Herzegovina is not Iraq. Serb targets are not large square structures in the sand or on a flat grid of streets. They move among hills and trees and bushes. They are hard to see and track with the human eye, and even harder to find with machines.

Machine IQ is the limiting variable in "smart warfare." If you want to know whether NATO's air strikes against the Serbs will succeed, the key question is whether their weapons' IQs are high enough. To be effective, NATO weapons must be smart enough to find and strike over 500 camouflaged and mobile Serb tanks and artillery units in the Bosnian hills.

They aren't.

Most of the programs and math models for smart weaponry are still on the drawing board. The most accurate sensor suites are planned for the U.S. Air Force's B-2 bomber, and that won't be ready until 1996. The B-2 is supposed to fire 2,000-pound bombs that are really laser-guided missiles with computers in their tails. The computers would combine precise synthetic-aperture radar data with navigation data from 24 satellites that now orbit the earth every 20 hours. This data would feed to smart pattern-recognition software to tell tree from tank, to signal processing software to track the tank if it moves and as the missile moves, and to adaptive control software to adjust the tail-fin rockets.

Even then, the Pentagon does not expect the B-2 missiles to be accurate to more than 20 feet — at best. If all systems aren't working or the missiles don't have perfect knowledge of where the targets are, accuracy will slip further.

That might be enough for shooting tanks in the Arabian Desert or command centers in downtown Baghdad. It won't hold today in the Bosnian hills. And NATO's aircraft, cruise missiles, and battleships are less accurate and have lower IQs.

Today, thanks to neural networks and fuzzy logic, computers can usually recognize a handwritten zip code on an envelope. But these systems work with just a few numbers and letters on a flat centered surface. And, of course, the zip codes do not move about the page and change their shape. To recognize real targets from any angle in clutter, smart algorithms need to store (or learn) 10,000 to 50,000 templates to match against detected objects. The smart weapons of the present do not have this computing power.

NATO air strikes would also have to sort camouflaged decoys from camouflaged tanks and artillery units and track them as they moved, in the day and especially at night. Recall that the Allies could not knock out all of Saddam Hussein's SCUD missile launchers *because they were mobile*. And mortars are easier to hide and carry. Add to this the real chance that the Serbs will take civilian hostages and it seems NATO will have to use ground troops if they plan to take the Serbs out of Sarajevo and keep them out.

That said, NATO weapons might be smart enough for one type of air strike: tit-for-tat strikes against command centers and arsenals in *Belgrade*. NATO might be able to cripple the infrastructure and supply lines of the Serbian army. Then it could respond to each new bout of Serb aggression by taking out fixed targets deep in Serbia, even if the NATO forces could not directly repel the Serb aggression. Thus, if the Serbs bombed or overran the Sarajevo airport, NATO could bomb a dozen command posts in and around Belgrade in return.

Much of the Serbian command consists of large fixed structures — buildings, bunkers, hangars, airfields. The NATO forces have complete air and satellite data on these structures. Few bombs or Tomahawk cruise missiles would miss their targets. And unlike Baghdad, Belgrade has no real air defense forces. The Serbs have only old Soviet rockets and guns and radar systems. Serb guns would hit few if any NATO aircraft and no stealth bombers. (The Iraqis hit none of the stealth bombers that flew through Baghdad, and they were using high-grade air defense systems that they bought from NATO countries.)

But this path is also risky. Tit-for-tat strikes inside Serbia could lead as easily to an extended blood feud as to a negotiated peace settlement. And what would NATO do if Russia or Iran rushed some of their best anti-aircraft systems to Serbia? NATO could still level buildings and take out a few mobile artillery units, strengthening Serbian resolve and pushing them toward full guerrilla warfare — or terrorist attacks on targets within the West.

So don't bomb the Serbs in Bosnia. The NATO weapons are not yet smart enough to do it right; it would be surgery with a butterknife instead of a scalpel. And the Bosnians have had enough bombing. Even if NATO can repel the Serbs from Sarajevo, that alone would not force them to negotiate. And it would set a dangerous precedent for future conflicts.

Let us hope that human wisdom can prevail over machine IQ. —BtK

**Kurt Cobain, 1967–1994** — A few issues back, I discussed the media's ability to warp and deaden genuine grief in its coverage of the death of my friend, film actor River Phoenix. The death of rock star Kurt Cobain, whom I never met, presented a curious inversion of this phenomenon: I was made to feel some genuinely disturbing sadness over the demise of a stranger for whom, while he lived as a public figure, I felt little sympathy or affection.

Cobain's band, Nirvana, is alleged to have represented a sea change in the tastes and attitudes of rock audiences the world over. But while the off-the-mainstream rock clubs I frequent tend to be, on average, more crowded now than they were pre-Nirvana, I still think in my more cynical moments that the band's greatest contribution to the world of

rock'n'roll was to add a few million bucks to the coffers of billionaire record magnate David Geffen.

Yes, "alternative" bands are now getting more major-label contracts, and are breaking onto MTV with greater frequency. But there has been no real change in either the aesthetics or the business of rock. Standard rock radio's virtual abandonment of artists who have not been around for more than 15 years has left even bands as blandly typical as the Counting Crows to be initially marketed, by default, as alternative. Such supposed post-Nirvana alternative mavens as Pearl Jam or Soundgarden sound as traditional as ever, and the big cor-

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*We all form little communities in our heads based on some objectively absurd things — libertarianism, for instance.*

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porations are still making most of the money in the music business. Nirvana's alleged revolution was not only televised — it existed only on television.

I was mildly impressed by three or four Nirvana songs (standouts include "In Bloom," "On a Plain," and "Polly"), but never considered myself a fan. Yet Kurt's heart always seemed to be in the right place. He never shilled for any of his fellow "alternative" superstars, reserving his public praise and support for such weirdos as Japanese girl-rockers Shonen Knife, aged American geek-rockers Half Japanese, obscure Scottish love-rockers the Vaselines, almost-forgotten British art-pop women the Raincoats, and his childhood idols, the soporific, grind-rocking Melvins.

In the wake of Cobain's suicide, MTV showed over and over again an acoustic Nirvana concert in which, leavened by a handful of Nirvana hits, Kurt sang early David Bowie ("The Man Who Sold the World"), the Vaselines ("Jesus Wants Me for a Sunbeam"), and two songs in a row from the obscure '80s American indie rock classic *Meat Puppets II* ("Plateau" and "Lake of Fire"). Watching it, I was made to realize that — and this might sound self-serving — Kurt was a lot like me, in a very specialized way. He may have been a couple of years older than I, but Cobain was still a depressive fellow who played guitar and joined punk rock bands and wrote songs and loved, more than anything, this body of music loosely represented by the rubric "punk rock" — not just the specific sound exemplified by the Ramones or the Sex Pistols, but the whole spirit of the creation of strange, tortured, and clumsy beauty through rock music, and the friendships and communities that arise from that creation and the love of it.

Obviously, he was both more skilled and luckier in the pursuit of his passion than I've ever been — my band's record hasn't even sold 200 copies yet, and we've never played to a crowd bigger than that either. But as I watched this sad, intense-looking guy lean into the mic and sing "Plateau," instead of just feeling ironic distance or jokey disdain for another megacelebrity crackup, I could only think, wow, a guy who really loved *Meat Puppets II* is dead. And that made me sad.

We all form little communities in our heads based on some objectively absurd things — libertarianism, for instance — and we lovers of obscure rock music can get quite the fa-

miliar pack instinct about each other. MTV made me feel that about this man I never knew, made me see him as a member of one of those little mini-nations I pledge allegiance to out of shared love. Kurt found his passions spread out much farther than he ever dreamed they could go, and found that they lost their luster under so much bright light.

I neither understand nor condone suicide, especially with a dependent infant left behind. Nor do I think Kurt's experiences have any significant analogies with a wide range of his generation. His music came from a much smaller, more insular world than his multi-millions of listeners could understand, and that only added to his own confusion and grief. And of course it goes without saying that few of us will experience the level of public acclaim and success, or the level of drug dependency, that he did.

No, Kurt Cobain's death isn't a generational event, though the media felt it had to make it one. It is a personal story, for him and for the members of his little club. He did his part for the tradition he loved, added to it at least a handful of very good songs, and brought media attention, though not understanding, to that tradition. He was in many ways a Great American, and I say that with no irony. —BD

**Robert Shea, 1933–1994** — As co-author with Robert Anton Wilson of *Illuminatus!*, Robert Shea helped create one of the strangest and wittiest fictional expressions of anarchist philosophy ever written. As editor of *No Governor*, Shea produced a consistently fascinating zine that stood head and shoulders above similar low-circulation libertarian efforts.

At other points in his life, Shea was a *Playboy* editor, a historical novelist, and an antiwar activist. He will be remembered for the characters he created, from Roland de Vency to Hagbard Celine, and for his good-humored vision of a friendly, nonviolent stateless society.

He died in March, of cancer, and will be missed. —JW

**Richard Nixon, 1913–1994** — Richard Nixon was born in a cheap frame house, innocent of running water, in an insignificant southern California town. He was one of America's few presidents of authentically working-class origins. He was probably the brightest kid in town, but he seems to have realized, eventually, that the town itself wasn't very bright. It's possible that he never recovered from that realization.

Certainly his critics never recovered. His humble economic and intellectual origins gave the attacks of his enemies their characteristic edge of contempt. Nixon was obviously the sort of person who at some point spent a lot of time reading *National Geographic* and thinking about the big, exciting role he could have in the world.

Nixon seems never to have arrived at a political philosophy; he was more interested in thinking about his big role in life and the places where he might be able to play it. But he was capable of recognizing facts that more ideological people might miss. When he ran for Senate in 1950 against incumbent Democrat Helen Gahagan Douglas, he accurately accused her of being an idiot about Communists. (She cynically reciprocated the charge, but the voters believed Nixon.) Earlier, as a member of Congress, he had been able to see the truth in the

*continued on page 38*

# Medianotes

**News briefs** — If you blinked, you might have missed political scientist Charles Jones complaining about Bill Clinton's April appearance on MTV, where a teenager asked the president whether he wore boxers or briefs. John F. Kennedy or Franklin Roosevelt wouldn't have answered such an impertinent query, proclaimed Jones in the *New York Post*; indeed, "they would not have projected a persona which invited that sort of question." But Clinton has "abdicated leadership in foreign policy," and thus projects no such barriers.

It's time to draw a line in the sand: one moment they're in Sarajevo, the next they're down the president's pants. Will the appeasement never stop?

I do not usually read the *Post*, and only know of Jones's editorial because it was quoted on *The McLaughlin Group* later in the week. On that program, Morton Kondracke leaped in to defend and extend the point: it is awful, he said, that "the majesty of the presidency has been deteriorating to the extent where some teenager can ask the president what kind of underwear he wears." Interesting choice of words there: I was under the impression that *majesties* were alien to republican self-government.

The only reason this non-controversy deserves any comment is the glimpse it gives us into the minds of the likes of Jones and Kondracke. I don't find it surprising that Beltway apologists see their president as an imperial monarch, but I always enjoy seeing them slip up and admit it in public.

And, by the way, I wear briefs.

—JW

**20/20 hindsight** — I had occasion recently to attend a televised "town meeting" conducted by John Stossel of ABC's 20/20. First we watched segments taped for his documentary, *Are We Scaring Ourselves to Death?* Stossel criticized the media — including himself — for hyping such "threats" as pesticides, toxic wastes, airplane crashes, and even crime (which, in fact, is not rising these days) while ignoring much greater dangers, like driving, smoking, and poverty (poor people die seven to ten years earlier than rich people). The different segments took a very critical look at government risk assessment, an Environmental Protection Agency cleanup of an abandoned mine, and the high cost of regulation. Stossel even raised the question of whether regulations, by reducing national wealth, leave more people in poverty, thus causing them to die earlier. It was amazingly libertarian for network TV.

Well, if you think I was amazed to see this unfolding on national television, you should have seen the rest of the town-meeting crowd. The environmentalists, consumerists, and Clinton/Gore activists were apoplectic. Their outraged mutterings got louder and louder as the hour wore on. I think what really shocked them was that, after 25 years, their ideas were being challenged on national television. Betrayed by ABC's hour of apostasy, they must have felt the way Soviet *apparatchiks* did the first time they turned on the television and saw Boris Yeltsin criticizing the Party.

—DB

**The libertarian as conservative** — What is the price a conservative must pay should he commit the crime of paying more than lip service to the notion of liberty? Consider the experience of "Mr Conservative," retired Senator

Barry Goldwater.

From a syndicated column by right-wing pundit Don Feder, striking out at deviationists within the Right:

Unlike [Congressman Bob] Michel, the 86-year-old Goldwater stands for something — usually the wrong thing. He's pro-abortion with a vengeance. . . .

In "Mr Conservative," Clinton found an enthusiastic ally for his plan to lift the ban on gays in the military. Goldwater campaigned against an anti-gay rights initiative in Phoenix and was honored by an Arizona homosexual group. . . .

Barry's Marlboro Country individualism comes from a lifetime of reading Zane Grey novels, his favorite literature. Yes, the Republican Party should be about freedom. But it should also be about social stability and family cohesion — without which society loses its moral bearings and liberty degenerates into anarchy.

There's a lot to be annoyed with about this. Does Feder really think allowing homosexuals in the military and women the right to choose to have an abortion without government interference will undermine the family? Does he really believe the institution of the family is so weak that it requires the rough hand of the state to support it? Does he really think that government must (or can) provide people "moral bearings?" In this state-saturated society, is the risk of "liberty degenerat[ing] into anarchy" a real worry?

But what is most shocking to me is the nasty tone of the piece. For the sin of taking conservative rhetoric about liberty seriously, Barry Goldwater is denounced as a family-wrecking anarchist, and an intellectual lightweight to boot (what else could be the intent of Feder's sarcastic crack about Zane Grey?).

Meanwhile, episodes like this illustrate how difficult is the task faced by those who see libertarian thinking as an important element in contemporary conservatism. If "Mr Conservative" is to be ridiculed for his occasional libertarian deviations, how welcome can any genuine libertarian feel in the conservative movement?

—RWB

**Department of Unintended Irony** — The Pacifica Radio News broadcast of April 15, 1994 offered a revealing look into the leftist mind. Early in the program, Noam Chomsky was featured, shaming Americans for allowing their tax dollars to be used to kill thousands in Central America over the last decade. After Chomsky, the broadcast was mostly devoted to commentary from Donald L. Bartlett and James B. Steele, who want to get more tax dollars from the rich.

So, do the good people at Pacifica want us to kill yet more Central Americans, or do they feel that the rich have not paid for their fair share of the slaughter?

—CS

**Inquiring minds want to crow** — Who says reporters don't respond to consumer demand? Whenever readers and viewers complain about media sensationalism, editors oblige them with a new wave of

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## Celebration

# A Free Life

by R.W. Bradford

Karl Hess was born on May 25, 1923 and died on April 22, 1994. During the 25,900 days he walked the earth, he led an extraordinarily adventurous life. "The way I lived explains the way I think," he explained in his book *Dear America*. Karl refused to accept any dissonance between his beliefs and his life. He was never an armchair anything.

As an anti-Communist conservative, Karl once tried to go into mainland China — Red China, as it was then known — with an intelligence team from Taiwan. The higher-ups at *Newsweek*, where he was press editor at the time, prohibited this venture, which would have certainly resulted in Karl's execution if he were discovered or stranded from his fellow agents.

But Karl was always willing to take risks for his beliefs. When a democratic, anti-Communist former president of Cuba conspired to throw out dictator Batista, Karl helped out by acquiring weapons for the rebels. That effort came to naught, leaving Karl with a garage full of ingredients for napalm and Sten guns. What was probably his most dangerous rightist activity also failed to come to fruition. Ralph de Toledano, his close friend (and fellow editor at *Newsweek*), tells the story:

Karl, James Burnham, and I were sitting and chatting about how terrible it was that we never knew who the Soviet espionage agents were until they left the country. We worked out a plan to track them down, get the information, and then pass it on to the FBI. What we were going to do was buy a house in New York in the Village and a panel truck and pick up the people involved around the periphery of Communist activities — we knew who they were. We'd pick them up one by one, shoot them full of sodium pentathol, and that way, by that kind of triangulation, get to the espionage agents. The peripheral people, we all knew who they were.

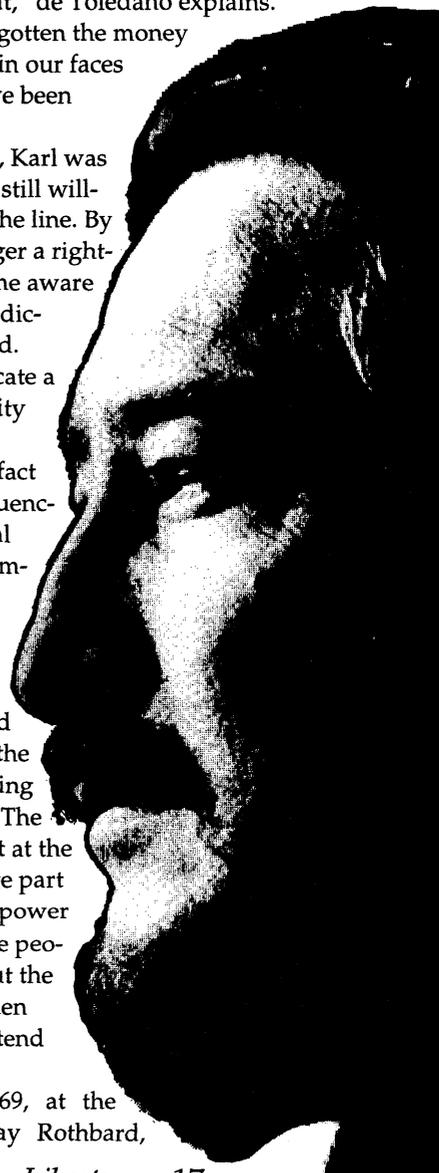
After Karl and his friends tried and failed to get the necessary financing from right-wing businessmen, they turned to another source. They approached Frank Costello, head of one of New York's organized crime "families." Just as they thought Costello was about to give them the \$50,000 to \$100,000 they needed for their venture, the

mobster was subpoenaed to appear before the Kefauver committee. When they called their contact in the Costello organization to make final arrangements, the voice on the phone said, "James who? Karl who? Ralph who?"

"And that was that," de Toledano explains. "Thank God! If we'd gotten the money it would have blown in our faces and we would all have been wrecked."

Fifteen years later, Karl was still living his beliefs, still willing to put his life on the line. By now Karl was no longer a right-winger, having become aware of the "terrible contradictions" within his creed. Conservatives "advocate a strong national-security state . . . while at the same time facing the fact that one of its consequences — increased federal power — would accomplish in the long run just what an enemy invasion would." Furthermore, they support "concentrated power at the level of the 50 states while opposing it at the federal level. The reason for opposing it at the federal level is in large part because it represents power over people which the people cannot control. But the same thing is true when state governments extend their powers."

On April 15, 1969, at the suggestion of Murray Rothbard,



Karl sent the IRS his tax return and a letter, but no check for taxes due.\* The letter explained why he would no longer pay taxes, concluding with these words:

The Declaration of Independence, in the clearest possible language, tells Americans that when a government becomes destructive of the ends of life, liberty, and the pursuit of happiness that it is the right and the duty of the people to abolish such government, to "throw off such government."

It is in the spirit of that Declaration, and in comradeship with men everywhere who seek freedom and to throw off such governments, that I now refuse to pay the taxes demanded by the government in the attached forms.

Six months later, Karl delivered a speech to a conference of libertarian activists in New York of such an incendiary character that a substantial number of those attending followed him in an assault on Fort Dix, in New Jersey.

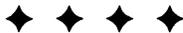
Karl's radical anti-war, anti-state activities were not limited to such comic-opera libertarian antics. One day, Senator Barry Goldwater spotted a familiar face among the anti-Vietnam War demonstrators being arrested on the floor of the Senate. Karl used the oc-

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### *The love of liberty was the engine that drove Karl's life.*

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casional to "chat" with his "old friend" whom he "hadn't seen for some time."



Such flamboyant episodes were actually a very small part of Hess's life. They exemplify his commitment to living a life true to his convictions. But his beliefs evolved over time and only occasionally led to such extreme activities.

The love of liberty was the engine that drove Karl's life, and while it took

him down some pretty strange roads, it mostly drove Karl to self-examination, to exploration of the fundamental ideas that underlie human society, and to a happy, peaceful, and productive life.

The most potent weapons in Karl's arsenal were words, and his careers as gun-runner, kidnapper, triangulator, and revolutionary leader never really got off the ground. From the day when he dropped out of school in 1938 to take a job with Mutual Broadcasting, he spent most of his life as an editor and writer. He lost his job with Mutual when his employer learned he was only 15 years old. Jobs at various newspapers followed. By the late 1940s, he was an editor of *Pathfinder*, at the time the second largest circulation news-weekly in the country.

In 1949, he fell prey to the temptation "to make history rather than just write about it," and took a speechwriting job with the Republican National Committee. He later left that job for a position with *Newsweek*. He spent five years there, during which time his conservatism and anti-Communism became more important to him, to judge from his involvement with the aborted Cuban and kidnapping schemes described above. He spent most of that time as writer-editor of its press section, before being fired for identifying his position with *Newsweek* when he signed his name to a pro-McCarthy newspaper advertisement.

During the next decade, his activity grew more political. Although nominally employed by various publications and corporations, including *National Review* and the American Enterprise Institute, he found time to help prepare a massive foreign policy study for the House Republican Policy Committee, to draft the 1960 Republican platform, and to ghost-write for Barry Goldwater. He spent 1964 as Goldwater's chief speechwriter, though he was *not*, as widely reported, the author of Goldwater's famous line, "Extremism in the defense of liberty is no vice; moderation in the pursuit of justice is no virtue." Goldwater was

more than Karl's employer: they were good friends who discussed serious philosophical questions. Like virtually all of Karl's friendships, this one survived Karl's future ideological wanderings.

After Goldwater's crushing defeat, Karl found very little demand for his professional services. He set to work writing his account of the Goldwater campaign, *In a Cause that Will Triumph*. It was during this period that he began to question his right-wing ideology. He came to realize that the love of liberty did not entail the love of a huge and powerful military establishment, and

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### *The most potent weapons in Karl's arsenal were words, and his careers as gun-runner, kidnapper, triangulator, and revolutionary leader never really got off the ground.*

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began to suspect that the belief in self-reliance his mother had nurtured in him might be incompatible with the culture of corporate capitalism in which he had been living. Still, though "the private contradictions of the campaign nagged a bit," he later wrote, "by and large, it looked as though I could and would continue indefinitely a safe, well-heeled, upward-mobile, suburb-centered, country-club career."

One day in 1966, he made a decision that changed his life:

I bought a motorcycle.

It was just a little motorcycle but, to judge by the impact it had on friends, neighbors, and family it might as well have been a half-ton Harley chopper. And even though I wore proper suits and ties while riding the thing, I might just as well have been in the colors of the Hell's Angels.

Today, of course, it is fashionable to ride a motorcycle, but when I started riding it was just a means of transportation and a sheer physical delight. Because it was just that . . . it was automatically disreputable. Not the thing to do. Odd. Weirdo. Proper people want new cars, not motorcycles. Proper people do not make de-

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\* When Karl mentioned to his friend Charles Murray that he had refused to pay taxes at Rothbard's suggestion, Charles asked the natural question: "Karl, if this is such a great idea, why didn't Murray do it himself?"

"Karl just burst into laughter," Charles recalls, "and he laughed and laughed and laughed and he said, 'I'd never thought of that.' The funny part was the way he laughed."

cisions on the basis of how things feel. They make decisions on the basis of how things appear.

Not to make too much of my little motorcycle but, among other things, it started me thinking about how little the sensual and personal are permitted in modern middle-class lives. . . .

The motorcycle was an affront. . . . Even the little one. Then I got a larger one. And I rode it longer and farther and I began to meet other people riding longer and farther. How hateful the image must have seemed to the neighbors and, of course, to my wife. That great, roaring, nasty thing must seem like an erotic invader in the quiet suburbs. It trails fantasies of leather-jacketed violence, of crazy goings-on in wild groves and ramshackle houses. It is the vehicle of barbarians in the sweet land of the safe and sanctified. . . .

The ride on the motorcycle was a ride away from the suburbs, for sure. And a ride toward that most heretical of questions that can be asked in the middle class, the question of whether one should do things because of the way they feel rather than the way they look. And for the first time in a long time, understanding that the sheer pleasure of the motorcycle was drawing the sheer displeasure of so many people, including those upon whom my living depended, I recalled the long walks with my mother and her advice. You mustn't care what it looks like to others, you must be sure of how it feels to you!

And I was really beginning to feel sure. I was meeting new people, understanding new interests, and beginning to feel something very strange. I was beginning to feel very much alive, not as a function, not as a force of history, not as a servant to power, but simply as a person.

In fairly rapid order all of this resulted in a divorce and the stark realization that I was completely beyond the pale of regular politics as well.

Thus began an odyssey that seemed to move from one point of the ideological compass to another. Karl realized that he was an anarchist, and, before long, he began to see himself as a leftist. He joined SDS and the IWW, and did some work with the Black Panthers. He was welcomed by the Left, while his old right-wing friends believed he had more or less gone crazy.

In 1968, *Ramparts* magazine published Murray Rothbard's "Confessions of a Right-Wing Liberal." There, Rothbard explained his own journey from the extreme Right in the 1950s, to the Stevensonian Democrats in 1960, to the extreme Left ("our people") in the later 1960s, and how he came to learn that "the United States was solely at fault in the Cold War, and that Russia was the aggrieved party."

The essay found a receptive reader in Karl Hess. Within days, Karl got in touch with Rothbard, and very soon Rothbard had made his most important convert. In March of 1969, Rothbard and Hess began publishing *The Libertarian Forum*, a semi-monthly newsletter offering a radical left-libertarian perspective on current events and discussion of movement strategy. In its third issue, Karl explained why he was no longer paying his taxes. In June, Rothbard announced with excitement that "The libertarian movement, bless it, is on the march. For the first time in memory, there is now a nationwide li-

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### *Rothbard and Hess quickly assumed leadership of the nascent libertarian movement.*

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bertarian organization." Karl was the "Overall North American Coordinator" of the Radical Libertarian Alliance, Walter Block was treasurer, and Roy Childs held the "key post of corresponding secretary." There were also regional coordinators for New England, Prep Schools, the South, and California. The RLA endorsed Norman Mailer for mayor of New York, supported Students for a Democratic Society, sympathized with the leftist revolutionaries who created "People's Park" on a piece of vacant land in Berkeley, and endorsed "wars of national liberation."

Prior to this time, Rothbard had headed a tiny sect of libertarians mostly isolated from the broader movement. But thanks to the publicity generated by Karl's efforts, he and Hess quickly assumed leadership of the nascent libertarian movement.

In August, *LF* published Roth-

bard's "Listen, YAF!" — an open letter to libertarians attending a convention of Young Americans for Freedom, a national conservative student group. Named for C. Wright Mills' seminal New Left work, *Listen, Yankee!*, Rothbard's essay was a call to open rebellion against YAF's conservatism: "Why don't you leave now, and let the 'F' in YAF stand for what it has secretly stood for all along — fascism?" It was at the YAF convention that the Rothbard-Hess libertarian movement first really felt its oats.

Members of the Rothbard-Hess contingent arrived in St. Louis for the Labor Day weekend convention armed with their own fervor, copies of "Listen, YAF!" several black flags, and Karl Hess. Before the dust was settled, the press had been treated to the spectacle of young conservatives chanting "Anarchy forever," "Fuck the draft," "No more Vietnams," and "Power to the people!" When YAF's leadership refused to allow Karl to address the convention, leaders of the libertarian faction interrupted William F. Buckley's press conference to invite Buckley to debate Hess outside, under the St. Louis Arch, at midnight. Buckley declined. Karl delivered a fiery speech under the stars, proposing a coalition between the New Left and the libertarian Right.

This precipitated a split among libertarians between those who favored an alliance with the Left and those who favored radicalizing YAF. The first group organized as the Anarcho-Libertarian Alliance, headed by Karl Hess, Jr.; the latter as the Libertarian Caucus, headed by Don Ernsberger and future conservative congressman Dana Rohrabacher. The Libertarian Caucus, consisting of about 300 people, ran a slate of candidates for the YAF board and hoped to modify the YAF platform to include planks calling for active resistance to the draft, immediate withdrawal from Vietnam, and legalization of marijuana. They were defeated at every turn. When their anti-draft plank was voted down, one young libertarian grabbed a microphone and told the assembly that it was the right of every individual to defend himself against state violence, held up what was apparently his draft card, lit it on fire, and held it aloft as though he

were the Statue of Liberty.

The conservative majority turned into an angry mob, and the meeting turned into a brawl. The libertarians escaped from the hall and met outside to discuss strategy, only to have their meeting broken up by young conservatives shouting "Kill the libertarians!" When the dust had settled, those with libertarian beliefs were no longer split between those who wanted to work

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*It was at that place and time in St. Louis that for many people, the libertarian movement was born.*

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within the conservative movement and those who believed libertarians had to have their own identity. The moderates realized that the Right was not their home, that libertarians were different from conservatives, that they opposed state intervention into people's lives whether the government was controlled by the Right or the Left.

It was at that place and time that for many people, the libertarian movement was born.

Karl became a brilliant and enthusiastic publicist for his new views, and the chief spokesman for the movement. His "The Death of Politics" in the March 1969 *Playboy* introduced millions to the libertarian creed. Then his "Open Letter to Barry Goldwater" appeared in the October *Ramparts*. In September, stories on Karl appeared in the *New York Times* and *Newsweek*. On December 6, *The New York Times Magazine* ran a feature on Karl titled "From Far Right to Far Left — and Farther"; the same day, *The Washington Post Magazine* ran its own cover story on Karl. Six weeks later, the *Times Magazine* had a cover story entitled "The New Right Credo — Libertarianism." Libertarianism was no longer an obscure political sect buried within the Right. It was "happening."



Karl didn't remain long in a leadership position in the movement. Over Columbus Day weekend, a conference he and Rothbard organized split over

the issue of radicalism, with Hess's faction following (or perhaps leading) Karl on the aforementioned march on Fort Dix while Rothbard's people remained at the hotel to hold panel discussions. In the following months, Rothbard hammered at Karl's views in *LF* and worked to ensure that the movement's cadre followed what he called "the correct line on everything from competing private defense agencies to private property rights to war revisionism to alliance with the New Left." Karl tried to hold the movement together, urging tolerance of diversity within libertarianism, while continuing to seek common ground with the radical Left. In the December 15 *LF*, Karl penned a spirited defense of movement diversity and plea for everyone to tolerate Rothbard's intolerance. It concluded with these words:

Murray has raised some points to which some, obviously, are dying to answer. Let them do it and let them do it promptly and precisely. . . .

Why don't I write such answers? Because, as Murray knows, I have heard his criticism, respectfully, and I have rejected it for myself alone. My heart truly does belong to the Left. And it is an adventure, an adventure in liberty. . . .

To my comrades: I love you all!

The attacks on Left deviationism continued in the pages of *LF*, but Karl's writing did not. The May 1, 1970 issue of *LF* announced his resignation.

Over the next few years, Karl followed his ideological star leftward. He had discovered the Institute for Policy Studies, a leftist think tank, in 1968; now he found it to be more tolerant of his deviations than libertarian institutions had been. He married again in 1971, to Therese Machotka, a woman he had met ten years earlier while both were working at the *Washington World*, a weekly tabloid edited by de Toledano.

For the first half of the 1970s, he was a driving force in the Adams-Morgan Organization, a grassroots effort at neighborhood self-sufficiency carried out in the Adams-Morgan section of Washington, D.C. He also instigated an experiment to bring technology down to the neighborhood

scale, and before long, inner city residents were growing vegetables on rooftops and vacant lots, farming fish in an unused warehouse, installing self-contained bacteriological toilets, and planning for their own self-sufficiency in energy. The experiment was ultimately abandoned, but not before Karl learned a great deal from it.

Karl's role as a high-profile tax rebel meant that the IRS attached any income. This created a problem, but Karl adapted, avoiding work for cash income and operating within the barter economy.

In 1975, he published *Dear America*, a brilliant and very personal account of his move to the Left. That same year, he and Therese used a \$3,000 insurance settlement for a burglary at their Washington apartment as a down payment on 11 acres of rural land near Martinsburg, West Virginia.

Here he and Therese built their own home, lived quietly, made friends, and got involved in community activities.

It may have seemed to some that Karl's life in West Virginia was retirement. But this is far from the truth.

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*Karl always sided with the individual against the collective, the mind against the brute, liberty against servility.*

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Yes, Karl had stepped off the national stage. He was no longer trying to save the world by fighting Communism or battling the state or creating pilot projects for free communities. But now he was applying his ideals to his own life in a way that made his forays into espionage, counter-intelligence, revolutionary politics, and anti-war activism seem immature. Now he was *living* his ideals of individual liberty, of human community and respect for one's neighbors, of small-scale appropriate technology. Like Voltaire's Candide, Karl had decided to tend to his own garden.

He worked as a welder, and he and Therese attended country auctions where they purchased old furniture, which they rebuilt and sold at flea mar-

kets in nearby Washington, D.C. And of course, he continued to write.

For a while in the early '80s, he and Therese edited *Survival Tomorrow*, a newsletter for survivalists. Despite their best efforts and the marketing savvy of his old friend Bob Kephart, it failed to find much of a market. In 1986, after years of pretty much ignoring the organized libertarian movement, he took over editorship of *Libertarian Party News*. His final book, *Capitalism for Kids* (1987) combined a celebration of childhood entrepreneurship with advice and encouragement for kid entrepreneurs.

I first met Karl at a party in 1983. We talked about a wide variety of subjects, ranging from politics to motorcycling to welding. When I gently tried to steer our conversation toward Karl's own life and intellectual development, he answered my questions with his characteristic wit and charm, then asked me what I did for a living. "I do something you don't approve of," I said. "I am a precious metals dealer." Having just read *Dear America*, it seemed pretty clear to me that my livelihood wasn't much different from that of the bankers he excoriated. But Karl would have none of this theory. Where did I get the idea, he asked, that he meant people like me when he attacked unproductive exploiters?

I didn't argue with him. Of course, I knew that what he was saying to me contradicted what he had said in his book. And I suppose one could conclude that this was evidence of a lack of intellectual rigor. But that is too simplistic. This was just a case of Karl's refusal to allow ideology to interfere with his personal judgment.

It was natural that when I began the work to launch *Liberty* in 1986, I would invite Karl to be an editor. And it was natural that he accepted. As an editor of this magazine, Karl acted as a good friend: he was always happy to share his advice, always happy to suggest improvements or changes, and always happy to contribute his writing, even as his health deteriorated.

A lifetime of enthusiastic living took its toll on Karl's heart. In 1985, he had open heart surgery to repair an aortic valve. Three years later, the lining of his

aorta burst, and he spent ten hours on the operating table. He remained as energetic as ever, but it was plain that his physical strength was ebbing.

In 1989, Charles Murray moved to nearby Maryland; somehow, it made perfect sense for Karl Hess the Wobbly/Panther/anarchist and Charles Murray the conservative critic of the welfare state to become close friends.

In the summer of 1992, Karl got a replacement for his failing heart. The transplant was a success, but the trauma was debilitating, and Karl's recovery was set back by a number of minor injuries and the side effects of the drugs he was taking to suppress his body's natural tendency to reject the transplanted organ. Recovery was slow and pain unremitting. His old energy began to lag and the pain

## *Celebrate a Life*

*Karl Hess*

*May 25, 1923 – April 22, 1994*

The Family of Karl Hess

*invites*

All Friends of Karl Hess

*to a*

## **Day of Remembrance and Celebration of His Life**

Saturday, June 11, 1994

Noon to Midnight

at his home on Paynes Ford Road  
Route 4, Box 455A, Martinsburg, WV 25401

Dear Friends,

Come and celebrate Karl's life as he always did — with laughter, exuberance, purpose, music, food, and love. Above all, love.

Karl delighted in the uniqueness of each of us humans (and many critters, too) and happily tolerated all manner of beliefs and behaviors. So come and dance and sing, eat and drink, pray and mourn, share memories and pictures and favorite sayings (he *did* have a way with words), or simply be here with all of Karl's friends and family.

Come anytime from noon on, and stay for awhile or for the whole time.

Bring some food to share. Bring camping gear and stay on our land overnight, or stay at an area hotel.

Let us know of your plans in advance so we can prepare accordingly. Please RSVP to Therese Hess at the home address, or call (304) 263-7526. Then, as Karl was fond of saying, "Let the mischief begin!"

overwhelmed him. On April 22, Karl died, and the pain ended.



There are people who will conclude from Karl's ideological odyssey that somehow he had no solid core, no moral or intellectual compass, that he was a straw who blew in the wind. Such people should consider the possibility that the Left-Right ideological map they are using may be no more valid than the Ptolemaic model of the universe.

Karl's opinions changed and developed throughout his life. But the direction of his thinking was always the same. He always sided with the individual against the collective, always with the mind against the brute, always with liberty against servility.

His most right-wing book concludes with an expression of hope and a promise:

[The ascendancy of political conservatism] will be a triumph for every American who is tired of being a number and a ward, for every American who wants to stand on his own and for his own, for every American who wants to be left alone long enough to do his job, who asks no favors or favoritism, who helps or is helped only when truly needed.

And this is a cause in which I will spend my life.

He concludes his most leftist book expressing his "fervent personal hope" in these words:

... that you will be as critical of the life you now lead as you may well be of the life which I suggest you could lead. You owe allegiance to no crown, to no guru, to no savior. We are not just senseless atoms in this universe. You are, we are, human; you have, we have, those unique abilities which can set us free — intuition which can inspire discovery and creativity, and reason which can make it whole and meaningful in the natural world.

There can be, therefore, no end to a book like this or to the process of being human. There are only beginnings. And the good work of being people, friends, lovers — and good neighbors.



Karl never lost the habit of self-education. He was a genuine intellectu-

al: a successful journalist, the author of several books, a ghostwriter, a lecturer. There is a powerful tendency for human beings to overestimate the value of their own work. Farmers tend to overvalue the importance of agriculture, entrepreneurs the value of entrepreneurship, dam-builders the value of dams, politicians the value of politics, and intellectuals the value of ideas. Karl is perhaps the only intellectual I

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*His friends ranged from philosophers to hobos, from socialists to conservatives to anarchists, from the rich and powerful to the poor and weak, from the brilliant to the stupid, from greens to reds to red-white-and-blues.*

---

have known who never overestimated the importance of ideas.

Ideas were his stock in trade, and he pursued them with a curiosity and vigor that astonished those who knew him. He wrote about ideas, manipulated them, explored them, expressed them. But he never believed that his superb intellectual skills made him better than his neighbors whose skills lay in animal husbandry or small engine repair or selling groceries. He valued his neighbors for what they were, and treated them with respect and honesty.

Karl Hess was a visionary and a very practical man, a radical and a conservative, an intellectual and a welder. But most of all, he was a good friend and neighbor to all who knew him. His capacity for friendship seemed infinite. He was the most loving and most loved man I have ever known. He stimulated the thinking of everyone he encountered. And he touched their lives in countless ways, both large and small.

Although much of his life centered on politics, he never was a politician and never was an ideologue. He had powerful opinions on almost every subject. But unlike most people with powerful opinions, he never saw others' disagreement as an impediment to friendship. He was a political poet, a man with an esthetic understanding of

what a good society was. He articulated it in a way that all sorts of people could understand and appreciate, touching people with the message of liberty who might not ever otherwise be touched. His friends ranged from philosophers to hobos, from socialists to conservatives to anarchists, from the rich and powerful to the poor and weak, from the brilliant to the stupid, from greens to reds to red-white-and-blues.

His influence on libertarianism is enormous, but easy to underestimate. Libertarianism is first and foremost a rationalistic philosophy, so it is not surprising that its other major forces — Rand, Mises, Hayek, Friedman, and Rothbard — were system-builders whose contributions are evident in their writing. Karl was also a philosopher — a lover of truth — but he was no system-builder. It's not that he opposed systems. It's just that he was too busy exploring and reflecting to stop and build one.

There is another important difference between Karl and the other midwives of the libertarian renaissance. In a movement that often inclines toward a very literal social atomism, Karl stressed the importance of neighbors, of community.

Although he wrote several memorable books, his major intellectual output was mainly journalistic. He wrote for newspapers, magazines, and journals, famous and obscure, large and small. Probably his single most influential piece of writing was "The Death of Politics." Today's reader may find it dated, its references to the draft and the Vietnam War quaint, its revolutionary outlook anachronistic. But it is almost impossible today to appreciate its impact in 1969.

Karl had another important influence on the development of libertarianism, one that will be even harder to gauge in the future: the influence of his personality. He was an extraordinarily loving and lovable human being. In thousands of ways with thousands of individuals, Karl set an example worthy of emulation.

But Karl was not a role model. He did not know how everyone should live their lives. He did not have the answers to all the great issues. He was just Karl. And all of us are much poorer for his passing. □

In 1964, Karl came to the Institute [for Policy Studies] and gave a lecture. I was struck not only by what he had to say, but by the man himself. A man of great modesty, of great simplicity, and yet great brilliance. He represented to me a sense of America, of country, which in a way transcended the ideologies of the time, in that he saw the importance of people, of living with nature rather than beating it up, of small-scale, face-to-face activity rather than large-scale Pharaonic projects in which people at the top figure that they can control what was going on in terms of the activities for the future. He understood that you couldn't really control the future that way.

He also understood very clearly that there is a powerful inter-relationship between the great corporations and the state. He saw the partnership between the corporation and the big state was disastrous for the kinds of human affections that he believed were absolutely necessary for any kind of human happiness and human decency. Perhaps it would be better to say that he believed in a human decency rather than human happiness. I don't know how he felt about happiness, but I do know that he was absolutely committed to decency among people.

—*Marcus Raskin, Institute for Policy Studies*

I met Karl at *Newsweek*. I don't remember the exact date, but it must've been around '52 or so. He was press editor and I was national editor. We almost immediately became very good friends. We usually had lunch together several times a week. He was very conservative, and very anti-Communist, a real activist.

After we got to be really good friends he said, "You know when I came to *Newsweek* and I knew you were there and I wanted to meet you and I thought we'd sit and talk about the Communists and have long discussions about conservatism and so on, but all we talk about is girls."

It wasn't exactly true. But it was a funny remark.

Karl was basically self-educated, like a lot of the best of the newsmen I know. He was self-educated and very deep and very well-read. Karl was a very warm, a very real person. And what he believed in he believed in deeply and he went with it, no matter where it might lead him.

We remained friends during a period where he was playing around with the Institute for Policy Studies and other groups which I deplored. Karl was a guy with a great deal of integrity and principle. —*Ralph de Toledano, contributing editor, National Review*

Karl Hess was one of the great people of the period he lived in. I think he and I — I'm sorry, I'm immodest in coupling myself with him — I think the two of us were bookends. He came from the Right and recognized the importance of the critique from the Left of contemporary Western society. And I came from the Left, and through a variety of intellectual circumstances came very early in my period of being a public spokesperson against the Vietnam War to understand myself as operating in a tradition of libertarianism. My complaint about the war was a libertarian complaint. My complaint against the government that waged the war was couched in libertarian terms. Karl understood this instinctively and innately. In fact he was way ahead of me about it.

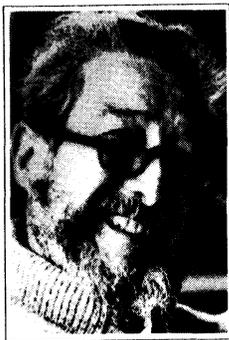
Karl and I wound up coming to much the same conclusion about the good and the bad parts of the Right and the Left, and the

consanguinity of the good parts. We felt a real solidarity with one another in trying to work out, in practical terms, what that union of the libertarian Left and the social-conscience Right might be able to offer the country.

That a man with his spaciousness of mind and humanity of spirit would have found his way to Barry Goldwater at a point when Goldwater was being so roundly denounced throughout the mainstream media as the next thing after Antichrist is a testimony to the man's political genius. And that from that public identification in politics with the "far Right," he could have moved as far as he did towards a practical, concrete, positive, productive relationship with parts of the Left — the part of the Left that loves freedom — this is to my mind a proof of a kind of genius that is unique to that period.

We have not seen his like, and we will not see his like again, for a long time. I'm sure of that.

—*Carl Oglesby, President, Student for a Democratic Society, 1965 – 1966*



*Karl Hess, 1923–1994*

What a wonderful cast of mind he had. He had very strong opinions about the way the world works. They were never dogmatic — you hang out with libertarians a lot as do I and you know the ways in which sometimes the arguments get reduced to extremely sterile kinds of crystalline logics whereby A leads to B leads to C leads to D. Karl's style was not that way. Karl had the fascinating insight, but he was also constantly probing around the edges to look at them from a different point of view and a different perspective and changing them. He would change his mind through the years about lots of different things.

In talking to Karl, there was always this unpredictable journey of discovery. He was not only one of the smartest people I ever met but also one of the best conversationalists in the old-fashioned sense of that term. A conversation with him was an exploration. Plus he was so irreverent, even toward his own opinions.

Karl was instrumental in bringing together a couple of different strands of libertarian thought. He combined the mainstream libertarian arguments for economic and personal freedom with a very strong sense of the way that people form communities. Karl rightly saw that there was no contradiction in that, that the only way you get vital, functioning communities is by free people voluntarily coming together and interacting. I think that what the libertarian movement really needs is a way of communicating to the rest of the world how powerful his ideas are — that this is not only a matter of personal freedom, it is also a matter of the way human beings live the richest, fullest lives together.

Karl authentically liked people, and liked lots of different kinds of people. So that he numbered among people that were authentically intimate, close friends, folks who if you gave them an IQ test would show up around 90, maybe less in some cases. Karl approached them and dealt with them on a basis of, well, here are the things that they are good at, and here are the ways in which they are wonderful companions and/or friends with the rest of us, and there wasn't a thing condescending about it.

—*Charles Murray, author and social critic*

It is a sad loss. He was a very dear and valued friend, one of the finest writers I have ever known. I'm going to miss him.

—*Barry Goldwater, 1964 Republican presidential nominee*

**“On February 7th, when I walked out of that Court House... I could barely keep my excitement from making me skip down the steps. I know, first-hand, that this knowledge is Real Power. I also know that we are on the road to Individual Freedom that will take us anywhere we want to go.”**

— Harry Plott, World Network Holdings, on reorganizing his business as a Terra Libra Trust.

#### HOW TO LIVE FREE ALMOST ANYWHERE

My name is Frederick Mann. In 1977 I became a **Free Sovereign Individual**. Since then I've lived largely free from government coercion in many parts of the world. I've learned what I call **Freedom Technology**: the practical knowledge, methods, and skills for living free — the street-smart know-how to outwit freedom-violators at every turn. Freedom Technology makes it possible for us to legally, elegantly, and safely exit coercive government systems and to live free. Freedom Technology includes the practical means to protect yourself, your income, and your assets against attacks from freedom-violators. Ultimately, Freedom Technology also includes the means to blow away the bogus power of the freedom-violating elite.

We apply Freedom Technology to increase our personal power, wealth, and health. We engineer a massive shift of resources from the freedom-violating elite to the Free Sovereign Citizens of Terra Libra.

#### AMERICA: LAND OF ECONOMIC RAPE

In 1988 I moved to America — “the land of the free and the home of the brave.” To my horror I soon discovered that America and Americans were being economically raped. I researched the specific mechanisms of the economic rape and identified the key economic rapists. I wrote the book *The Economic Rape of America: What You Can Do About It*.

After more research and discussions with many, I concluded that Personal Power was an important ingredient of the solution, so I wrote a second book *Wake Up America! The Dynamics of Human Power*.

#### HOW TO MAKE A FORTUNE

##### PRACTICING AND SPREADING FREEDOM

As a professional consultant I've worked with computers for many years. Among other companies, I've studied Microsoft to determine why it has been so successful. Why has it overtaken IBM in terms of market valuation? Microsoft basically sells software programs to make computers more efficient and effective and easier to use. We could call Microsoft's programs “computer success programs.” At the time Microsoft was created its potential could have been measured by the difference between how successful computers were at that time compared to how successful they could become. There was a gap between what was and what could be. This gap represents potential. By utilizing this gap of potential, Microsoft co-founder Bill Gates became a billionaire and the richest man in America.

In human affairs there is also a gap between what is and what could be. We suffer from “human failure programs” (like government!) that keep us as society stuck at a low level. The gap between what is and what could or should be represents potential. **This potential is vastly greater than the potential that enabled Bill Gates to become the richest man in America.**

#### TERRA LIBRA

**Terra Libra** is a phenomenal societal breakthrough for taking advantage of the gap between what is and what could or should be. Terra Libra is a worldwide free country that extends across national borders. It's an information-based rather than a territorial country. Its inhabitants are Free Sovereign Citizens.

#### UNSOLICITED TESTIMONIALS

“The American people possess that loathsome and deplorable custom of blind obedience and servility to those in power or stationed in high office. History demonstrates that we should distrust politicians, not worship them. I have received and briefly reviewed your manuscripts, and find them well written and full of information. I congratulate you on your work. I hope that your works get wide circulation because they look excellent.”

**Lowell H. Becraft, Jr. - Attorney - Huntsville, Alabama**

“**WOW!** Your Terra Libra concept is a mind-blower... and a winner whose time is **NOW!** The info you sent brought the greatest excitement about the possibility of freedom in my lifetime I've ever known. Thru Terra Libra you're providing an exciting possibility: Be free now, working within and around our present oppressive government, leaving it to collapse of its own weight while we simultaneously create alternative systems that'll be in place to replace those of the tyrannical government when it withers and dies as in the USSR. Fascinating stuff!

**Dr. Howard Long - Dentist - Carnelian Bay, California**

“For the last 25 years I've been reading about “what's wrong!” I've been a member of “The John Birch Society” and “Neo-Tech” and I've never found anything as well written as your Terra Libra Manuals.”

**Duane F. Campbell - Developer - Kent, Washington**

Terra Libra is the means to replace human failure programs with human success programs. During the coming decades Terra Libran free-enterprise entrepreneurs will apply Freedom Technology to move society from what is to what could or should be. In the process many will become millionaires and billionaires. The Terra Libra books, reports, and information packages will tell you how. You simply can't afford to miss out on these incredible opportunities.

#### TERRA LIBRA STRATEGY

When you oppose something, or try to reform it, you encounter opposition. Your effort elicits an almost automatic counter-effort. Terra Libra does not attempt to change, oppose, reform, or overthrow any political or economic systems. We simply create our own voluntary alternatives. In fact, Terra Libra does not threaten or challenge the authority of any legitimate governments.

The bogus power of illegitimate freedom-violators depends on the support of their victims. Terra Librans find practical ways to legally, elegantly, and safely withdraw their support. The power of illegitimate freedom-violators is tenuous — flimsy, fragile, and of little substance. Understanding the dynamics of human power enabled Mohandas Gandhi to defeat the armed might of the British Empire without firing a shot. The armed might of the East German freedom-violators, backed by 300,000 Russian troops, could not keep the Berlin wall standing. When the victims of the soviet freedom-violators withdrew their sup-

port, the Soviet Empire collapsed overnight.

Because of currency debasement (inflation), huge budget deficits, property seizures, Nazi-like terrorism, and other criminal violations, many freedom-violators are destroying their own coercive power systems. They are rapidly losing control.

We distinguish three sectors: the **public** sector, the **private** sector, and the **free-enterprise** sector. The **public sector** operates on the principle of coercion: the force of the gun. The **private sector** mixes coercion and freedom — politics and business. People in the private sector enjoy a modicum of freedom. However, they obey, bribe, and finance the freedom-violators of the public sector. They often obtain special privileges such as monopoly licenses, subsidies, tariff protection, and welfare from the freedom-violators.

People in the **free-enterprise sector** practice real, true, or pure free enterprise. In Terra Libra slavery has been abolished. Free Sovereign Citizens own their lives, minds, bodies, and the fruit of their labor. They practice voluntary exchange. They can do anything which doesn't harm others or their property. These principles are formulated in the Code of Terra Libra.

**Terra Libra is the free-enterprise sector of the world.** Terra Librans create voluntary institutions in areas such as education, currencies and banking, justice, communications, energy, etc. As the coercive institutions of the freedom-violators worsen and collapse, people naturally shift their economic activities into Terra Libra — the **"Terra Libra Shift."**

Freedom Technology enables you to legally, elegantly, and safely shift some or all of your economic activities into the free-enterprise sector. The Terra Libran entrepreneurs who facilitate this shift will become the millionaires and billionaires of the next century. To get an idea of the potential, consider the size of the public and private sectors. These two sectors will fade away or collapse and be replaced by the free-enterprise sector.

Over the years there has been a shift in the nature of power. At one time power was almost totally based on **violence** (coercion). Then power came to be based more on **money** than on violence. In today's world power is based primarily on **information**. This shift in the nature of power is described in the book *Powershift* by Alvin Toffler. Territorial countries are based on violence, money, and brainwashing (the perversion of information). Terra Libra is primarily an information-based country. We provide the information that shifts power, resources, and wealth from the freedom-violating elite to Free Sovereign Individuals.

I believe that we maximize our prospects for freedom by applying a wide range of strategies — circumvent, ignore, criticize, ridicule, weaken, reform, and replace the enemy on many fronts. Terra Libra should be viewed as an **adjunct** to other strategies. Our strategy is outlined in much more detail in the Terra Libra reports.

#### WHAT HAS BEEN ACHIEVED SO FAR

Much more has been achieved than space allows me to mention. A few highlights:

- There are now thirty-eight Patrons and fifty Professional Liberators in: Arizona, Arkansas, Australia, Bulgaria, California, Canada, Colorado, Delaware, England, Florida, France, Hawaii, Illinois, Ireland, Jamaica, Louisiana, Michigan, Nebraska, New York, North Carolina, Oregon, Pennsylvania, Puerto Rico, Sark (Channel Islands), South Carolina, Texas, Turkey, Washington. (Patrons and Professional Liberators are basically people who provide services related to Freedom Technology, for example, alternative currencies & banking, privacy & asset protection, tax abatement, education, secure communication, etc.)
- We have customers in all fifty U.S. States and dozens of other countries around the world.
- The Terra Libra "country" concept has been expanded to include "Terra Libra Territories" of which there are already

several. A major international holding company has reorganized itself as a Terra Libra Trust and declared itself a Terra Libra Territory.

- A company has been established to create a worldwide economic system with a 100%-gold-based currency. The system will interface with current banking systems. It's organized so every aspect of it is perfectly legal in the country where that aspect operates. Users will be able to enjoy most of the services they now receive from their local bank. They will be able to deposit local currency checks and bank notes. The system will write checks in local currency. Secure electronic transfer will be possible for transactions between users of the system. Users will be able to withdraw funds from local ATMs. The gold will be maintained by several solid financial institutions and will be insured and subject to regular independent audit. We expect the system to be operational within a few months.

- One of our Professional Liberators operates a private financial services organization in California. Last year his company was raided by freedom-violators. They illegally seized computers, files, and money. Two days later he was back in business. He presented some documents to the appropriate officials, essentially indicating that he is a **Sovereign Individual not subject to their jurisdiction**. In January this year the freedom-violators returned everything they had seized. This was a brilliant application of Freedom Technology.

- A solid foundation is being created for the explosion of freedom around the world. I invite you to join us. The pioneers will reap the greatest rewards. You could be one of us — the greatest freedom team in history!

#### MONEY-BACK GUARANTEE

If you are not completely satisfied, just return the items ordered within 100 days for a full refund.

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- YES!** Please send me *The Introduction to Terra Libra Package* (7 Reports \$19.95 + \$2.00 S&H)
- YES!** Please send me *Wake Up America! The Dynamics of Human Power* (\$14.95 + \$1.50 S&H)
- YES!** Please send me *The Economic Rape of America: What You Can Do About It* (\$19.95 + \$2.00 S&H)
- YES!** Please send me **ALL THREE ITEMS** (\$39.95 including shipping and handling — a 33% discount)
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## Travelogue

# Sun, Seegars, and Socialism

by Douglas Casey

The wave of the future is about to be swept out to sea.

Too young to witness firsthand Castro's Cuban Revolution, I recently had a chance to observe the island's current, more salutary transformation. I was invited to Cuba by an investment organization — in effect, by the Cuban government — in hopes that I would recommend investing there.

I made two trips to Cuba, and had to fly in through Mexico City each time. Direct charters can supposedly be had through Miami, but they aren't really available unless you have family on the island. One of my European companions who *did* arrive via Florida made the mistake of informing an immigration official where he was headed. He and five others were immediately detained in a locked room at Miami International Airport while the agents spent two hours running background checks on them.

It's legal for Americans to visit Cuba, but officially discouraged: it's against the law to spend money while you're there, and it's best not to have the necessary visa stamped on your passport. That might provoke your own government to be much less friendly than Cuba's, as my friend from Europe discovered.

The first thing I noticed about Cuba was the absence of economic activity. No construction. No shops. Little traffic — a few American cars from the '50s, some primitive Ladas from Russia, mostly Chinese-made bicycles. The only restaurants were populated by Canadian and European tourists.

Cuba has a wonderful road system, and there's absolutely no traffic

once you're out of Havana, so it's a pleasure to drive on it. Someday soon, those roads will be filled with rental cars filled with foreign tourists venturing away from the beaches. Right now, the government is ambivalent about promoting tourism, because it will inevitably "corrupt" the workers and peasants. The nation's rigid currency controls have already been compromised by the fact that a bellboy in a hotel can earn a dollar from one tip — about as much as a doctor or engineer earns for two weeks' work. Worse still, the doctor or engineer is paid in pesos, which are almost valueless now. Unless a Cuban has relatives sending goods from the U.S., he's in big trouble. Dollars are actually the main currency in daily commerce.

Once you're out of Havana, even dollars have marginal value, because there's nothing to buy. One of the country's few private employers has taken to paying his workers partly with items like soap, chocolate, and toothpaste, because those things would simply be unavailable to them otherwise. There is nothing in the country, literally nothing. That's a hard concept for someone coming from the land of Wal-Marts to grasp.

I spent a lot of my time out of

Havana visiting rural areas in archaic Russian aircraft. One M1-8 helicopter provided some comic relief. I love the sound of a chopper's jet turbines spooling up, but this one tried twice, and just died each time. On the third try, the co-pilot started poking around in the fusebox with a screwdriver, and the whole cabin filled with acrid electrical smoke. We exited post haste. The episode illustrated just how primitive and laughably outdated Russian aircraft are. (A fusebox? A screwdriver?) But it's a good thing they're primitive: they don't require quite as much maintenance as more sophisticated machinery. And in Cuba, intelligent maintenance is very scarce.

Havana itself is in a time warp — quiet, with no activity. But it is not repressed. The block committees that assured political correctness in the bad old days are gone. Cuba is no longer a Stalinist society; it's just poor. Poor, and burned out, like a cokehead coming down from a long binge.

### Wasn't It a Time?

And what a binge it was. Times have certainly changed. Back in the '60s and '70s, things seemed to be going very well for the Revolution. Everyone was adequately fed. Beg-

gars, prostitutes, and the Mafia disappeared. Education and medical care became available to all. The average Cuban saw his society as the wave of the future. Those who fled the country were viewed as leeches, exploiters, unpatriotic bad apples — and in many cases, considering the nature of the pathologically corrupt Batista regime, they were. Good riddance to them, the people said, and good riddance to the criminals who joined them in the export of the Marielitos.

At the same time, Cuba was hosting thousands of disaffected children of the American bourgeoisie. The awe-stricken revolutionary tourists reassured the workers and peasants of their righteousness, and showed their solidarity by helping to cut cane.

Meanwhile, the imperialists were in full retreat on all fronts. In the U.S., the government had to bring in the National Guard to quell race riots. The Kennedy and King assassinations, the Symbionese Liberation Army, the Manson Family, the Chicago Seven, Watergate, the Weathermen, high inflation, a collapsing dollar, ballooning deficits, a hundred other traumas — the U.S. seemed to be on its last legs.

Sandal-clad Vietnamese peasants handed America a painful military defeat. Socialism seemed ascendant everywhere — in Chile, then Grenada, then Nicaragua. The Cuban Army was part of the world-wide revolution, on the move in Angola and Ethiopia.

Inundated with propaganda that framed all this with a Marxist perspective, it made good logical sense for the average Cuban to believe that Castro was riding the wave of the future. It was a great time to be alive and a revolutionary Communist.

## Goodbye to All That

It's hardly necessary to point out what went wrong with Fidel's vision. But it's important to see things the way the average Cuban does, if we're to understand the situation in Cuba today.

Up until about 1990, when the old Soviet Union started to implode, the Cubans were able to trade sugar to Comecon (the Communist common market) at artificially high prices, and

buy oil, machinery, and other necessities for prices that were artificially low. The subsidy is estimated to have been worth between \$3 billion and \$5 billion a year. Economically, it was a pretty stupid charade, but combined with what could be begged and borrowed abroad, and with capital left over from the old days (e.g., fixing up the pre-1959 U.S. cars that populated Cuba's streets and selling them to collectors), the



Revolution was able to stay afloat for a good long time. As Adam Smith observed, there's a lot of ruin in a country.

The decline and fall of the USSR meant the end of the party. The Cuban economy's inevitable slide into oblivion has assumed the trajectory of a flat iron thrown out of an airplane. The American Left's onetime paragon of economic virtue now sports the lowest standard of living in the hemisphere, with the possible exception of Haiti. Rations are two kilos of rice and one of beans each month, and that's about it. There's no chicken, a one-time staple of Cuban cuisine, because Russian planners convinced Cuban planners that it made more sense to mass-produce the birds in the Soviet Union.

The country is actually on the ragged edge of starvation; most Cubans I saw seemed to suffer from malnutrition. The government made a real effort to lay out the red carpet for my group, but no traditional Cuban dishes were served at our banquets, because there's no pork, beef, or chicken to make them with. Instead, we had seafood, I guess because it's impossible to

effectively socialize the ocean. At the island's few nightclubs, the bargirls aren't looking for strangers to buy them drinks. The price of their company is a good, square meal.

My party met an assortment of ministers, including the president of the central bank. They impressed me as sincere and thoughtful, but troubled. It can't be much fun to realize you've devoted your entire life to an abysmal, derided failure. Naturally, they don't care to see it that way, preferring to focus on the Revolution's alleged advances in education, medicine, and social welfare. But even these "successes" are starting to go down the drain.

It's true that almost everyone in Cuba can now read and write and has access to higher education — a vast improvement from the Batista days. As Abe Lincoln demonstrated, it's possible to get an education without much in the way of books, pencils, and paper. But it's suboptimal in this high-tech era. Cuban education is further compromised when the curriculum is suffused with

Marxism and the teachers are cut off from the outside world. And the kids can't learn very much when they're hungry and malnourished.

Medical care has improved for the average person, if only because the regime cranked out tens of thousands of doctors. But the doctors have very little medicine and almost no equipment. Nonetheless, aside from the malnutrition, the average Cuban seems quite healthy — not because of the medical system, but because of their low-calorie, low-fat diet and lots of exercise. There's definitely something we can learn from them in this area, but it's not the lesson Billary seems to be taking to heart.

In any event, Cuban doctors are now making only \$2 to \$3 a month. As the economy opens further, the doctors will emigrate, delivering a final *coup de grâce* to the myth of socialist medicine.

Socialism's other supposed victory was to rectify pre-Castro Cuba's calcified class structure — light-skinned people on top, dark-skinned ones on the bottom. In fact, almost all the officials we met were light-skinned.

Things hadn't changed much on this score either, as far as I could tell.

Altogether, 35 years of socialism have brought only marginal, probably ephemeral gains in a few areas, with wholesale devastation everywhere else. And it was Soviet subsidies, not Cuban socialism, that accounted for the successes there were.

Most Cubans still deny that their problems stem from the nature of socialism itself. They're wrong. Entirely apart from philosophical objections, it is economically impossible for a planned economy to survive because it's impossible for planners to calculate prices rationally. With prices fixed by

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*At the island's few night-clubs, the bargirls aren't looking for strangers to buy them drinks. The price of their company is a good, square meal.*

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fiat, people inevitably wind up consuming two, three, or ten units of capital to produce something that's worth only one unit. The Cubans still don't understand that, and as long as their schools teach Marx instead of Mises, they won't.

Ask the average Cuban why things have gone bad, and he'll tell you that (1) the Soviets screwed up (which is true enough, as far as it goes), and (2) the country is held back by the U.S. embargo. The second excuse is mostly nonsense; Cuba has always been able to get what it wants from scores of other countries. (Of course, complaints about the embargo are a tacit admission of socialism's failure: trading with capitalists should be anathema to real Communists.)

The embargo *has* hurt American businessmen, however, who've lost out as Canadians, Europeans, Asians, and Latins have cherry-picked opportunities in the last few years. The major effect of the embargo seems to be to prolong socialism in Cuba, by giving Castro an all-purpose excuse for his continual failures. Apparently, Washington is willing to shoot its own people in the foot just to take action against a perceived enemy. The "at least we're

doing something" mentality strikes again.

### My Dinner With Fidel

The highlight of my Cuban trips was a surprise meeting with Fidel Castro. My group was having a state-sponsored dinner party at one of Havana's "protocol houses," beautiful residences confiscated from the politically incorrect in the early '60s and now used to host foreign dignitaries, a group I suppose includes me. All of a sudden, there was the Bearded One. We gathered 'round, shook hands, and spent the next hour having an informal Q & A.

Fidel was dressed in his signature starched fatigues and appeared to be in excellent health and humor. He conducted his conversation through a translator, not so much because he doesn't speak English, but because he is somewhat linguistically nationalistic — and because he doesn't want to inadvertently say something that isn't quite what he meant. I was impressed by the give-and-take: Fidel was genuinely interacting with us, not just speaking to the peanut gallery.

In all, I must admit the man was far more impressive than Bill Clinton. Fidel has actually had a life. He believes in things. He takes ideas serious-

ly. He's a man of character and charisma, and he isn't "slick." Clinton, by contrast, has done nothing but work for the government his whole life.

One trivial observation: You'd expect Castro to wear spit-shined combat boots to complement his fatigues. But Fidel sported black zip-up dingo boots from around 1975. Maybe they're more comfortable.

More interestingly, Fidel absolutely exudes the presence of Karl Hess — or at least he did during my visit. The same physique, the same physiognomy, the same physical presence, the same charisma. (I'm sorry I didn't get a chance to tell Karl this before his death. He would have understood completely, and had a real giggle.)

My one mistake was spending the whole hour with Fidel when I should have logged more time with Carlo Lahé, who arrived with him. Lahé is actually in charge of Cuba today; Fidel is really just the chairman of the board.

One of my hobbies is chatting to Third World leaders (who are remarkably easy to meet) about how they can transform their basket-case economies into exaggerated versions of Hong Kong, in the process making themselves domestically loved, internationally famous, and legitimately wealthy.

*continued on page 69*

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## Poem

### Mostar

by W. Luther Jett

In early November, 1993, the fifteenth-century bridge over the Nerevta River in the Bosnian city of Mostar collapsed following months of shelling by Croatian forces.

When a bridge too narrow for  
dreams falls into a river  
too deep for tears,  
what is left behind?  
On your side, you hold a  
bucket; on my side,  
I guard the well;  
above us — the broken horns  
of the autumn moon.

## Investigation

# Behind the Task-Force Veil

by Richard D. Fisher

"If the forces arrayed against reform want a real battle in which their self-interest is exposed and their real agenda is made public, they will get it."

—Hillary Rodham Clinton, November 9, 1993

We all remember the President's Task Force on Health Care Reform, a collection of "experts" assembled by Ira Magaziner in January 1993 to develop a plan to reform America's medical care system. In February 1993, the Association of American Physicians and Surgeons filed suit under the Federal Advisory Committee Act (FACA) to force the Clinton administration to reveal the task force's composition. In November, the administration was ordered to comply. The documents thus made public suggest a very different picture of the task force than the White House has presented.

The task force consisted of 15 cluster groups, 43 working groups, and four subgroups. The leaders of over half of these, as well as many of the participants, were representatives of private managed-care interests with much to gain should the Clinton health plan be enacted. Among the special interests represented were United Health Care Corporation, Chicago Health Maintenance Organization, Aetna, Travelers, Liberty Mutual Insurance, Wausau Insurance Company, National Capital Preferred Providers Organization, Harvard Community Health Plan, Kaiser Permanente, U.S. Health Care, EDS Health Care, PCS Health Systems, First Health, Blue Cross/Blue Shield, and Alliant Health Systems.

Remember the Health Security Card that Bill Clinton brandished so proudly on national television? One

corporation represented on the task force was MCI Communications — the likely primary vendor for the 250 million cards Clinton's plan would require. Potential contractors for other parts of the Clinton plan were also amply represented, including the Rand Corporation, Alpha Center, Telesis, Cooper & Lybrand, Price Waterhouse, and the Principal Financial Group.

FACA was not the only law the task force tried to circumvent. All executive personnel, including special government employees, were required by the Ethics in Government Act to file conflict-of-interest forms. But only 35 of these special government employees and consultants did so. Of those, many were submitted months late. Almost all were filled out in the handwriting of someone other than the filer, some in two different handwritings, and some with dates typed over correction fluid.

It is plain that Robert Berenson, president of National Capital Preferred Provider Organization; Lois Quam, vice president of United Health Care Organization; and David

Eddy, advisor to Kaiser Permanente, have conflicts of interest in helping formulate federal health-care policy. Yet these officials and executives of major managed-care concerns played significant task-force roles without obtaining waivers for conflicts of interest, despite the requirements of law. Indeed, *not one* consultant obtained the required waiver.

### A Shaky Foundation

Few organizations have put as much money and work into the campaign for government-run medicine as the Robert Wood Johnson Foundation. With over \$90 million in demonstration grants, leveraged with the requirement for matching funds from taxpayers, the RWJF has seduced eleven state governments into implementing managed-care plans.

Now the RWJF — along with the Henry J. Kaiser Family Foundation and the Urban Institute — is doing the same thing on a national level. They developed the format for the task force structure and asked their own people and other grant recipients to help put

together the Clinton plan. Fellows salaried by the foundation posed as full-time staffers for Senators Rockefeller, Bumpers, Bradley, Kennedy, and Wofford to obviate FACA requirements. They actively participated on many of the task force's cluster groups and subgroups. In addition, Assistant HHS Secretary Judith Feder was both a senior investigator for the RWJF and a full-time government employee while working for the task force.

At the same time, the foundation gave substantial grants to George Washington University to sponsor so-called "public forums" on health care reform across the country. Similar programs were funded by the Kaiser Foundation with the League of Women

Voters Education Fund. Proffered as free and open forums for the discussion of medical care reform issues, these forums were in fact little more than community outreach propaganda mills for Clinton's health plan. And at press time, NBC News accepted \$2.5 million from the RWJF to produce a two-hour special on health care. The propaganda war moves on.

### Getting Past the Lies

Rather than admit to the prominent participation of special interests in formulating its health-care proposals, the White House chose the path of secrecy and closed doors. In doing so, it trampled on the law. If its bill passes, it will trample on a lot more.

Ira Magaziner's task force was a sham — and so is its product, the Health Care Security Act. It is no surprise that the act features a large and government-subsidized role for managed care. Nor is it surprising that it will do little to improve the American medical care system, and a lot to make it worse.

The Magaziner task force is but the latest chapter in a sad but familiar story, one in which private special interests and tax-exempt foundations insinuate themselves into the legislative and executive branches of government to create policies that benefit themselves and those they seek to promote. The ultimate victim, again, is the American public. □

### Medianotes, continued from page 16

sensationalistic stories about how bad American journalism is. It sounds like self-flagellation, but it isn't: despite the chorus of complaints about what "we" are doing, the stories almost always refer to *other* reporters, *other* newspapers, *other* television programs, *other* magazines. Right now the victim is "tabloid journalism," sometimes supplemented with swipes at "the talk shows." The usual attack goes something like this:

(1) Look at all those yellow journalists at *The National Enquirer* and *Inside Edition*. They're sensationalistic, they cover stories of no consequence, they invade people's privacy.

(2) Look at the meaningless items we in the serious media have been covering lately: Nancy Kerrigan's leg, the Menendez brothers' trial, all that stuff. Oh, I guess the Kerrigan and Menendez sagas are "good stories"; there's nothing wrong with a little junk-food news. But when we start wasting our readers' and viewers' time with Clintonian cunnilingus, are we any different from the tabloids?

(3) And what about all those damn talk shows? Doesn't Ross Perot go to Larry King because he'll only have to deal with softball questions there, as opposed to the tough interrogation a *real* reporter would subject him to?

(4) Are tabloids and talk shows forcing us into their image?

I'm no great fan of the tabs, nor of the likes of Larry

King. But I do not expect news of cosmic consequence from them. There is nothing innately wrong with the pursuit of gossip, any more than there is with following sports, so it doesn't bother me all that much that there is a market for the *Star* or the *Globe*. And while I'm disturbed when sleazy journalists wantonly invade the privacy of private citizens, my response is to not support their papers with my money. End of story.

But what of the mainstream media? Should we fault them for sensationalized coverage of ultimately unimportant stories — the Bobbitts, the Buttafuocos, the Brothers Menendez — or for sensationalized coverage of real issues, like drugs, international affairs, the economy, ecology, and crime? The general press has always covered these areas poorly, with or without competition from *Inside Edition*. That is why most Americans believe that marijuana is a dangerous narcotic, that Manuel Noriega was a threat to national security, that 35 million Americans lack health insurance, that violent crime rates are increasing, that David Koresh was a menace to society. That is why the police, the Pentagon, and the bureaucratic "reformers" can continue to steal our liberties and undercut our economy. But aside from occasional gems like ABC's recent *Are We Scaring Ourselves to Death?*, it is not this sort of coverage that gets savaged.

And while I am not very concerned with softball interviews on *Larry King Live*, I am concerned with softball interviews on (for example) the unbelievably overrated *MacNeil/Lehrer News Hour*. If you think King was soft on Ross Perot, you should have seen the squat corporatist's first appearance as a candidate on *MacNeil/Lehrer*. The first question posed was "How do you feel about always being referred to as 'Texas billionaire Ross Perot'?" Two minutes of further empty chitchat passed before the candidate was asked a single substantive question. If this is supposed to be the hard-core thinking man's TV, I'll stick with David Letterman.

Maybe the mainstream press isn't imitating the tabloids. Maybe the tabs are imitating the mainstream press. If so, they're doing a pretty good job. —JW



## Examination

# The First Speculatrix

by Victor Niederhoffer

A veteran commodities trader audits the books of America's most famous cattle futures speculator.

In 1931, playing an international exhibition chess tournament in Hastings, England, the great grandmaster and world champion J.R. Capablanca was trounced by one Sultan Khan, an illiterate Indian manservant in the service of another tournament attendee. Forbidden by Indian

chess rules from castling, Khan had developed some innovative opening techniques in his game, which Capablanca learned about to his chagrin. Capablanca, nicknamed "the chess machine" for his invincibility, thereby suffered one of the perhaps two dozen losses he sustained in a brilliant 40-year career. Similar tales echo down the halls of sports history, to be repeated whenever fans gather to swap anecdotes. Such stories' universal appeal is the notion that the ordinary person can walk with the giants, that hard work and talent can cut the Goliaths down to size.

So when I heard of Hillary Rodham Clinton's stunning coup in commodities trading — turning \$1,000 into over \$100,000 in just ten months — I was eager to investigate, hoping to mine what nuggets of speculative acumen I could. Sometimes the novice takes a fresh view of things, and can deliver up valuable innovations to old hands who've been in the game so long we've lost sight of new opportunities. And a 100-fold return is nothing to sneeze at. By comparison, George Soros, who by general acclaim has posted the greatest speculative record in history, turned each \$10,000 unit investment in his Quantum Fund into \$21 million in a 25-year period.

His average annual return of 35% looks paltry next to HRC's 10,000%, and it must be comforting for her to contemplate the possibility of a job with Mr Soros, should her career in Washington prove unappealing.

Recall that in the late 1970s, a seat on the New York Stock Exchange went for about \$28,000 (current value around \$800,000), and that the per capita income of Arkansans in 1980 was \$5,600, second lowest of the 50 states and well below the \$7,300 national average. During the 1977-1979 period, according to the Clintons' tax returns as published in the April 4 *Newsweek*, William Jefferson Clinton's income as the state's attorney general and then governor ranged from \$25,000 to \$30,000, while Hillary Rodham's Rose Law partnership distributions for these years ranged from \$14,000 to \$38,000. According to published reports, the net worth of the Clintons in the late 1970s was in the neighborhood of \$80,000.

So how did she do it? Most of Ms Clinton's trades involved the selling or buying of contracts on live cattle or feeder cattle. HRC initially explained that she had based her trading decisions on "information in *The Wall*

*Street Journal*." The *Journal* helpfully responded by reprinting every comment it made on cattle futures from September 1, 1978 through July 27, 1979. Virtually all these entries were retrospective reports explaining the previous day's price action. Typical was its report on October 11, 1978, the day of HRC's first trade, which netted her a profit of \$5,300: "Sudden heavy speculative selling pushed cattle-futures prices sharply lower in late trading . . . the drop was attributed to an unexpectedly large number of cattle being delivered against expiring October contracts."

Numerous retractions and "clarifications" followed, many concerning the role of Hillary's close friend James Blair, general counsel of Arkansas chicken powerhouse Tyson Foods. As of late April, the spin is that he merely consulted her; she did the trades herself and risked her own funds.

To clarify a number of financial matters pertaining to the Clintons, including Ms Clinton's trading successes, Ms Clinton called a press conference, held April 22 in the State Dining Room of the White House. In conjunction with the press conference, and to help clarify the questions about

Ms Clinton's trading, the White House retained the services of Mr Leo Melamed, former chairman and prime mover of the Chicago Mercantile Exchange, to examine HRC's trading records and issue a report thereon. Mr Melamed concluded that, "unless there are additional records to indicate otherwise," the controversy surrounding HRC's trading is "a tempest in a tea-

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*Hillary's commitments of over \$3 million against equity of \$10,000 to \$30,000 would not be classified by most as prudent leverage.*

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pot." Of her turning \$1,000 into \$100,000, he wrote:

[S]he would not be the first to begin trading with but \$1,000. This has been done time and again in the course of our industry. Moreover, one must remember that . . . the cattle market, in a period of about one year, went from \$.47 per pound to \$.80 per pound, representing a \$13,000 increase in each futures contract. In other words, literally a \$1,200 investment in early 1978 would have produced a \$13,000 profit one year later. Additionally, it was during a time when futures markets were substantially less regulated than they are today. . . .

Similarly, Ms Clinton explained her success with this argument:

Well, Brit, it was primarily Jim's suggestion. But I also did try to educate myself. You know, I did try to read some things. He actually gave me a few documents to read. Because he had this theory that because of the economy in the early part of the 1970s, a lot of cattle herds had been liquidated, so that there was going to be a big opportunity to make money in the late '70s. . . . I tried to educate myself because I took the responsibility seriously. . . .

Unfortunately, this bullish cattle explanation does not hold water. Of her 27 trades in live cattle, 17 trades covering 175 contracts were initiated from the short side; that is, she was contracting to make future delivery of cattle at a price based on the current (or "spot")

price — in effect, betting that the price of cattle would decline. Only ten trades covering 114 contracts were made from the long side. With 60% of her trades from the short side, Clinton's success in trading against the prevailing bullish trend is even more remarkable than if she had taken the path she claims she did. Particularly phenomenal is Ms Clinton's ability to make money on both the long and the short side. New traders almost invariably play the long side, especially when the herds are being liquidated.

Financial analysis aside, the story of Ms Clinton's pursuit of economic self-interest has also gone through several incarnations. In May of 1993, Ms Clinton remarked that "the 1980s were about acquiring — acquiring wealth, power, privilege," and in her husband's words, the era "ushered in a Gilded Age of greed and selfishness, of irresponsibility and excess and of neglect." But in contrasting her own pursuit of commodity trading profits with the greedy '80s, Ms Clinton remarked (in her Dining Room conference),

You know, I was raised to believe that every person has an obligation to take care of themselves and their family. . . . I was raised by a father who had me reading the stock tables when I was a little girl. . . . I don't think you'll ever find anything that my husband or I said that in any way condemns the importance of making good investments. . . . What I think we were saying is that like anything else, that can be taken to excess. When companies are leveraged into debt, when loans are not repaid . . . you know, all of the things that marked the excess of the 1980s are things which we spoke out against.

But trading millions of dollars of cattle futures with an initial equity of \$1,000 with a view to offsetting these trades with other players at a better price is hardly what most people would classify as an investment. Nor, as we shall see below, did Hillary have any excessive tendency to repay margin loans. And her commitments of over \$3 million against equity of \$10,000 to \$30,000 would not be classified by most as prudent leverage. Nonetheless, the *New York Times* opined March 30 that Ms Clinton's trades "were the most successful investment the Clintons ever

made. The . . . profit enabled them to buy a house, invest in securities and real estate, and provide a nest egg for their daughter, Chelsea."

But were these "investment" trades legitimate? Many industry commentators expressed doubt as to how Ms Clinton's success could be explained in the context of the usual workings of the commodities markets. In response to these suspicions, Mr Melamed noted:

What these records show is that Ms Clinton was, during 1978 and 1979, a relatively modest trader who traded in a variety of commodities, including cattle, soybeans, and hogs. She paid normal, full commissions. She made money on a lot of trades, lost money on some — sometimes those losses were substantial — and, on balance, she did extremely well. This was by no means unprecedented at that time.

Indeed, Ms Clinton's trades do show profits and losses: 81% of her total of 35 cattle trades were profitable; 19% were losers. As far as I know, no commodity trading advisor has been able to maintain even a 70% success rate over a significant length of time.

In discussing some of the revisions and adjustments in Ms Clinton's explanations for her financial success, the *New York Times* concluded on April 23 that "she was never able to satisfactorily explain why the White House had so many conflicting stories on so many important issues, and why their explanations have changed so many times in the past few weeks."

As the proverb reminds us, "One inconsistency begets another." Rather than focusing on the contradictions in the Clintons' stories, which doubtless could be "explained," let's turn to the trading records themselves. While little therein will help the average Jane or Joe learn about how to make money the old-fashioned way, there are a number of important lessons of another sort.

The analysis presented here is impaired by several gaps, omissions, and lapses in Ms Clinton's memory, reminiscent of the famous 18½-minute gap in Richard Nixon's White House tapes. The Clinton White House has released the monthly statements for 1978 and 1979 of the commodity trades of Hillary Rodham (as her account was

designated). There is documentation for 35 trades. Unfortunately, the purchase and sale confirmations and value of the transactions have not been issued for the three largest dollar gain trades during the period, with the explanation that these records are "missing or lost." Especially disappointing is the lack of information about HRC's first trade in the account, on October 12, 1978, when she turned a profit in one day of \$5,300 on her initial margin deposit of \$1,000.

In her Dining Room conference, HRC responded to a question about this trade by saying, "I do not remember any of those details. I've given you every record that I have about that. The \$1,000 was what I wanted to start with..."

Q. But when you first started with \$1,000, did you believe you were putting at risk more than \$1,000?

A. I believed that was certainly possible, yes.

Q. Then why did you take such a risky investment?

A. Because I didn't think it was that big a risk, because I thought that Jim and the people he was talking with knew what they were doing...

As soon as information on HRC's actual trade sees the light of day — and I suppose it eventually will, since the Chicago Mercantile Exchange has the information on file — we will be able to make a more precise analysis. Going back to the actual price data from the Merc on those days, our best estimate is that Ms Clinton sold ten live cattle contracts with a value of \$220,000 on October 11, 1978 and covered one and a half cents lower a day later. To put this in proper perspective, note that her commissions of \$50 per contract, plus the normal bid-asked spread, would have been sufficient to wipe out her entire opening account equity of \$1,000. During this period the average intraday swing from high to low was about 2%. Thus one day's fluctuation would have been likely to come to \$4,000 on her ten contracts.

In the 1970s, Stanley Kroll, a commodity broker and a trading legend in his own right, observed that virtually all his commodities customers lost money, and that all the brokers he knew at the three largest commodities firms on Wall Street had had the same experience. Kroll eventually became so

discouraged with the retail commodity brokerage business that he gave it up to become a trader.

In the 1980s, the situation for commodities customers improved somewhat, thanks to the emergence of discount commodity brokerages, where an individual's "round-turn" commission (to open and close a position) for one contract would be in the \$10-20 range, rather than the \$50 a good cus-

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*Analysis is impaired by several gaps, omissions, and lapses of Ms Rodham Clinton's memory, reminiscent of the famous 18½ minute gap in Richard Nixon's White House tapes.*

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tomers like Ms Clinton was charged in the '70s. Nevertheless, according to Bruce Babcock, editor of the Sacramento-based *Commodity Traders Consumer Report*, "over the long run, an estimated 95% of individuals who speculate in commodities futures lose money."

As there would not seem to be too much of a chance for ordinary people to replicate a trade like Hillary's, where we are theoretically wiped out on inception and our expected normal one-day loss is four times our total equity, let us try to derive some insights regarding success and failure by turning to general principles.

As George Goodman, a.k.a. "Adam Smith," author of *The Money Game* and a speculator himself, put it in one of his bestsellers written about the financial climate of the '70s:

Commodity speculating is just not for the average public. Too many people on the inside know too much. It doesn't make sense, so I have to assume that in the game the lions are too far ahead of the mice. I know what side I am on, and the next time someone says there is nothing going on in the stock market, but an interesting situation has come up in commodities, I am going to some mouse beach and wait in the sun until it all blows over.

Three factors help explain the typical investor's tendency to lose at commodities speculation.

**Commissions.** Commissions on commodity trades are low in relation to the total value of the commodity one has committed to buy or sell. However, in relation to the cash balance in the account, the margin required to maintain the position (usually 5% to 10% of the total commitment), and the average fluctuation of a commodities trade, commissions can be significant. For example, on a live cattle contract representing a commitment to buy or deliver 40,000 pounds of cattle at a price of, say, 62½ cents a pound (a typical price in the late 1970s), if your round-trip commission is \$50, the commission is one five-hundredth of the value of the cattle.

The margin required for one cattle contract — really a good faith deposit, rather than a collateral as in the context of the stock market — in the late 1970s was approximately \$1,000 per contract. This is the minimum requirement from a customer below which no brokerage firm was permitted by regulations to go, and many firms required an incremental 25% to 50% above this figure to protect themselves against credit losses. Note that a \$50 round-turn commission represents 5% of the margin requirement, a sizable proportion.

Commissions take an even higher toll relative to the average gain or loss per closed contract. For the Rodham account, the average gain or loss was approximately \$425 before commissions. So her commissions per trade actually ate up 12% of her average gain per trade. Most of us are familiar with the difficulty of racking up a winner at the casino, where the house "take" at the dice table comes to less than 1%. As the owner of a well-known casino in Las Vegas puts it, "As long as the house has a .01% advantage, I know that as long as the player keeps playing for a reasonable period, that player is bound to go broke."

**Trade Slippage.** This is the difference between the price appearing on the screen or board and the actual price at which the trader's order is filled. This factor usually has an even greater impact on total return than do commission costs. Slippage results from a wide array of factors, ranging from the dif-

ference between prices bid and asked for the same commodity to the "compensation" required by the floor trader to execute your order, provide immediate liquidity, and take on your risk. Many novice traders note with dismay their tendency to pay the highest price of the day and to sell at the lowest. When I first began trading in the late '70s, I consistently bought contracts limit-up on the day and saw them close limit-down. So I made it a rule only to buy when a commodity is down on the day and only to sell when it is up.

Unlike Ms Clinton, who showed a profit on two thirds of her trades by the end of the day, I still get fills at much worse prices than the average price for the day. But at least I can keep my losses to one limit move. And this is after monitoring and attempting to systematize intra-day price movements 24 hours a day for the better part of the past 35 years. Slippage on a live cattle trade would vary with the amount of contracts traded, but a good estimate for the ten-lots that HRC liked to trade might be .1 cent a contract and .2 cent

for the occasional 50-lot. Slippage of .15 cent on a 40,000 lb. contract represents \$60 per contract. On \$1,000 margin, this comes to 6% per trade.

According to one speculator who traded cattle during the late '70s, the slippage on a ten-lot during many wild days at that time came to from .5 cent to as much as a full penny per contract.\* Conservatively adding commission

\* He also believes all the purported documentation of legitimacy and fair dealing in this case is "a crock."

**Table I**  
Hillary Rodham Clinton's Trading Record

Date in	# of contracts	Commodity*	Short/Long	Delivery Date	Price in	Date out	Price out	Profit after commission	Cash Addition (Withdrawal)	Value of position (in thousands)	Balance	Cumulative Profit
1978:												
10/12									1,000	000	1,000.00	
10/11	10	LC	S	Dec	5750	10/12	5605	5,300*		220	6,300.00†	5,300.00
10/13	5	LC	S	Dec	5605	10/23	5200	7,890.00	-5,000	110	9,150.00	13,150.00
10/25	1	S	L	Mar	714	10/30	746			40	†	†
10/27	1	S	L	May	741	10/30	760 <sup>1/2</sup>			40	†	†
10/27	10	LC	L	Apr	5715	10/30	586	7,277.00		230	16,427.00	20,427.00
10/24	10	LC	S	Feb	5391	11/02	5440	-2,480.00		220	13,947.00	17,947.00
11/08	2	F	S	Jun	698	11/09	672	2,502.00		70	16,449.00	20,449.00
11/01	2	S	L	May	719	11/13	693 <sup>1/2</sup>	-2,648.00		70	13,801.00	17,801.00
11/13	5	LC	L	Apr	5705	11/21	5967 <sup>1/2</sup>	5,000.00		110	18,801.00	22,801.00
11/08	10	LC	S	Dec	5375	11/22	5797 <sup>1/2</sup>	-17,400.00		240	1,401.00	5,401.00
11/13	20	S	L	July	693 <sup>1/2</sup>	12/06	699 <sup>1/4</sup>	4,770.00		690	6,171.00	10,171.00
11/13	20	S	S	May	693	12/12	691 <sup>1/2</sup>			690	†	†
11/22	5	C	L	Feb	5925	12/12	5965			120	†	†
12/11	60	LC	L	Feb	5940	12/12	5965	4,970.00		1430	11,141.00	15,141.00
11/13	5	LC	L	Apr	5795	12/18	6287 <sup>1/2</sup>	11,400.00	-15,000	120	7,541.00	26,541.00
1979:												
1/04	10	LC	L	Apr	6355	1/24	6547 <sup>1/2</sup>	7,200.00		250	14,741.00	33,741.00
1/26	14	LC	L	Apr	6560	2/28	7025	25,280.00		370	40,021.00	59,021.00
3/05	5	LH	S	Jun	5420	3/06	5322 <sup>1/2</sup>	1,220.00		110	41,241.00	60,241.00
3/07	5	LH	S	Jun	5337 <sup>1/2</sup>	3/09	5305	237.50		110	41,478.50	60,478.50
3/13	10	S	L	July	754 <sup>1/2</sup>	4/16	738	-8740.00	-19,000	380	13,738.50	51,738.50
1/30	15	LC	S	Jun	7815	5/4	7600	12,150.00		470	25,888.50	63,888.50
5/16	5	LH	L	Jun	4680	5/16	4685	-120.00		90	25,768.50	63,768.50
5/14	10	LH	S	Jun	4725	5/17	4622	2,552.50		180	28,321.00	66,321.00
5/21	5	LH	S	July	4530	5/24	4517 <sup>1/2</sup>	87.50		90	28,408.50	66,408.50
5/21	5	FC	S	Aug	8282 <sup>1/2</sup>	5/29	8229	957.50		210	29,366.00	67,366.00
5/25	5	FC	S	Aug	8355	5/31	8180	3,425.00		210	32,791.00	70,791.00
5/31	5	LC	L	Aug	6970	6/11	7000	350.00		170	33,141.00	71,141.00
7/17	50	LC	S	Aug	6860	7/17	6875			1,720	†	†
6/18	10	FC	S	Aug	7630	7/17	8260			380	†	†
5/29	1	FC	S	Oct	8240	7/17	8125			40	†	†
5/29	4	FC	S	Oct	8241	7/17	8130	-16,329		160	20,277.00	58,277.00
6/27	10	LC	S	Aug	6735	7/20	6520			270	†	†
6/27	5	LC	S	Aug	6737 <sup>1/2</sup>	7/20	6520			130	†	†
6/27	34	LC	S	Aug	6740	7/20	6520			920	†	†
6/27	1	LC	S	Aug	6742 <sup>1/2</sup>	7/20	6520	41,260.00		30	61,937.00	99,937.00
7/23									-60,000		1,537.00	99,537.00

\* "LC" = Live Cattle, "FC" = Feeder Cattle, "S" = Soybeans, "LH" = Live Hogs.

† The 10/11/78 trade is estimated from documents that show her accounts were opened with \$1,000 on 10/11/78 and recorded a \$5,300 profit the very next day. ‡ Documentation on those trades is "lost or missing."

costs of 5-10% and slippage of 6-10%, we come up with around 11-20% friction, or house take, on each trade. One does not have to be a casino owner or great statistician to realize that if you trade often with the house in a situation where they take 10% or more of your stake each time you bet, the chances of ending with a large profit are remote. One is reminded of the bettors' adage that all pony-players die broke.

If I win a dollar on heads and lose a dollar on tails, but each time I flip I have to pay a dime to the house, the chance of my winning after one toss is 50%. If I call correctly, I win 90¢; if I miss, I lose \$1.10. After two tosses, my chance of winning is just 25%. If I lose both tosses, I lose \$2.20; if I win the first and lose the second or vice versa, I win 90¢ and lose \$1.10, for a net loss of 20¢. Only if I win both tosses am I a net winner. The more tosses on which I wager, the lower the chance I walk away a winner: my chance of ending up a winner after 200 tosses is about 6%. After 500 tosses, my chances are about 1%. The chances of achieving a 100-fold return in such a game is less than that of finding a snowball on a Little Rock sidewalk in August.

**Gambler's Ruin.** Finally, there is a third and more subtle factor that caus-

es most members of the public to lose more than the house take on each trade. Gambler's ruin is the chance of going bust when playing a game with a random outcome. Statisticians have developed exact formulae for computing the chance of ruin in games played with variable outcomes, based on the initial capital, the "edge," the length of time in the game, and the variability of the returns. The gist is that you are highly likely to go belly up if you start with a small stake in a game with a highly variable outcome, limited capital, and a small edge relative to the house. In games where the house has the edge, forget it. Bet the whole wad on a single throw, spin, and pray.

In commodity speculation, gambler's ruin is insidious. Positions are marked to the market every day. At the end of the trading day, industry practice is for the speculator to bring her account up to the minimum margin required. Brokers monitor the balance of accounts during the day, and when the price goes against the speculator's position, they usually demand immediate payment, or else the speculator faces being "closed out" of her position. This is what we all know of as a margin liquidation. And in commodities, when you normally work on a 20-

fold leverage basis — or, in the case of a certain trader we all know, up to a 200-fold leverage — the problem can be quite painful.

To avoid this kind of torture, all commodities trading experts advise the speculator to be able to lose a sizable multiple of the required margin. As noted by Jack D. Schwager in his *The Complete Guide to the Futures Markets*,

As a general rule, the trader should allocate approximately three to five times the minimum margin requirement to each trade. Trading an account on the full margin allowance greatly increases the chances of experiencing a severe loss. If a trader does not maintain several multiples of margin requirements in his account, it is a clear indication that he is overtrading.

As the relatively optimistic *Almanac of Investments* put it in 1984:

Leverage is a two-edged sword. Losses are leveraged. In fact in commodities futures, losses are much more common than profits. How can a person tell if commodity futures is worth trading? First, investors need the proper emotional make-up. Early-morning margin calls can play havoc with nervous systems, destroy sleep, and encourage ulcers.

**Table II**  
Breakdown of Hillary Rodham Clinton's Trading Profits  
by Long and Short Positions

Long			Short		
Date Exited	Commodity	Profit from Long Position	Date Exited	Commodity	Profit from Short Position
10/30/78	Soybeans & Live Cattle	7,277.00	10/11/78	Live Cattle	5,300.00
11/13	Soybeans	-2,648.00	10/23	Live Cattle	7,850.00
11/21	Live Cattle	5,000.00	11/2	Live Cattle	-2,480.00
12/6	Soybeans	4,770.00	11/9	Soybeans	2,502.00
12/12	Live Cattle	3,970.00	11/22	Live Cattle	-17,400.00
12/18	Live Cattle	11,400.00	12/12	Soybeans	1,000.00
1/24/79	Live Cattle	7,200.00	3/6/79	Live Hogs	1,220.00
2/28	Live Cattle	25,280.00	3/9	Live Hogs	237.50
4/16	Soybeans	-8,740.00	5/4	Live Cattle	12,150.00
6/11	Live Cattle	350.00	5/17	Live Hogs	2,552.50
			5/24	Live Hogs	87.50
			5/29	Feeder Cattle	957.50
10 Long positions made		\$53,859.00	5/31	Feeder Cattle	3,425.00
			7/17	Live Cattle	
			7/17	Feeder Cattle	
			7/17 (3 pos.)	Feeder Cattle	-16,329.00
			6/27	Live Cattle	41,260.00
			17 Short positions made		\$42,333.00

NOTE: For trade ending 5/16/79 it was not possible to determine if it was a long or short position. It had a loss of \$120.

Cautious, indecisive, or highly emotional people should steer clear. Only those with cast-iron nerves need apply.

Soros himself handles the problem by maintaining 75% of his funds unleveraged. This gives his funds an average equity of three times his required margin, in line with Schwager's advice.

One solution to the problem of unlimited losses is to use stops to automatically trigger a closing transaction when your losses reach a certain predetermined level. But as all who have traded commodities know, prices have a horrible but inevitable tendency to move to your stop until you are shaken out. "Stopped out," you watch in dismay and disgust as the price you originally hoped for is attained. Further, the price you got when your stop was triggered is worse than your stop price, due to slippage. Some traders address this problem by using "mental stops," as in "I'll just get out when the price moves away from me that far." But somehow the floor always seems to know where your agony point is. As one currency trader put it, "The most horrible thing in the world is to see the price go right to your stop point, and then reverse right back to your original price. But even more horrible is to use no stops and see it go against you until you're belly up."

Margin calls are how brokers deal with customers who don't use stops. In *Beyond Greed*, a poignant book that previewed the Clintonian indictment of the '80s, Steven Fay put the warning to commodity traders: "The game is played according to strict rules, trades have to be settled each day through an institution known as the clearing house, where the winners and losers are sorted out. And anyone who does not pay cannot play. The old market adage states: He who sells what isn't his'n, must pay for it or go to prison."

Apparently, Ms Clinton did not need to worry about gambler's ruin, stops, or margin. Although she was subject to a margin call for \$6,000 within her first three weeks of trading, she neither came up with the margin nor had her account closed.\* Again in April and July 1979 margin calls were

issued but not met in a timely fashion.

The July fluctuations illustrate how consideration of gambler's ruin can be destructive for even someone as astute as Ms Rodham Clinton. The moves in cattle in July 1979 had gone against her to the extent that her entire equity was wiped out, to say nothing of the amount she (or you or I) was theoretically required to pay to her brokerage firm for margin calls.

Given the relatively high cost of commissions and slippage and the risks posed by gambler's ruin, we can understand why the public has so small a chance of making money in trading. More importantly, we can formulate certain principles that might help increase the probability of making money from Kroll's 0% chance all the

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*Swings of 25% a day in one's net worth are not in order for putting one's kid through college — unless, of course, some type of cushion is nearby.*

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way to Babcock's 5%, or even higher. And perhaps more relevantly, we can compare the performance of certain transactions of speculators to see if they conform to these general parameters, so we can ascertain their *a priori* likelihood of success. Here are three rules that will stand the speculator in good stead during all seasons:

1. Trade with the lowest commissions possible.
2. Keep the number of your transactions to a minimum.
3. Be sure to start with sufficient capital, relative to the value of the positions you intend to take, and relative to the amount you can afford to lose.

Without being overly dogmatic, since there are a number of imponderables in the areas of house take, gamblers' ruin, commissions, and slippage, we can say that the greater the extent to which a trader follows these rules, the more likely she is to achieve success. With these thoughts in mind let us return to Ms Clinton's trades, summarized in Table I (see page 34).

The total number of contracts trad-

ed was 375. At her commission rate of \$50 per contract, commissions alone cost Ms Clinton \$18,750. Adding in an equal figure for the cost of the bid-asked spread, she had to overcome \$37,000 in frictional costs just to break even. Put another way, to make a net profit of \$100,000, her trades had to show a gross profit of \$137,000, a 137-fold return on her initial capital of \$1,000. Alas, had she only been able to devote her full attention to commodities trading, perhaps as a local on the floor, where her commission would have been ten cents per contract rather than \$50, and where she would have been able to avoid paying the bid-asked spread rather than suffer slippage in her executions, she could have racked up an additional 37-fold return.

But unfortunately, during that time she was busy serving on the board of Wal-Mart, getting voted one of the 100 most influential lawyers in the U.S., and performing time-consuming duties as the governor's wife. Her opportunity cost during those years being so great, perhaps it was in her economic interest to stay out of the trading pits.

Indeed, on December 11, 1978, Ms Clinton had on account a cash balance of \$6,100. On that occasion, she bought 60 contracts of February live cattle. Her other open position at that point was 20 contracts of soybeans and five lots of April live cattle. The commissions and bid-asked spread alone on these trades would have come to more than 150% of the cash balance in her account. The total value of the commodities committed to buy and sell was \$2.4 million.

And on July 17, 1979, Ms Rodham in a flurry of trading was carrying 115 open contracts with an underlying value of \$3.2 million. The net worth of the Clintons at the time was approximately \$80,000. Any 1% fluctuation in the value of her position would have been enough to change the value of the Clinton's net worth by more than 25%. A 1% change in cattle prices came during that period on average perhaps once a day. Swings of 25% a day in one's net worth are not in order for putting one's kid through college — unless, of course, some type of cushion is nearby.

Perhaps we should close with the wisdom of the First Trader herself:

I don't think you'll ever find any-

\* See *The Wall Street Journal*, April 29, 1994.

thing that my husband or I said that in any way condemns the importance of making good investments and saving or that in any way undermines what is the heart and soul of the American economy, which is risk-taking and investing in the future. . . . You know, I don't know how any of you make investment decisions, but I like to listen to peo-

ple I know and trust who I think know what they're doing.

Need we say more? Perhaps one might pose a final question: Are there any others in the Clinton administration, living or recently found dead, from whose trading records we might glean insights into the secrets of successful commodities trading? □

# Teatime With Hillary

by Chester Alan Arthur

Hillary Rodham Clinton's press conference on April 22 was a delightful dramatic exercise, intended to allay public suspicions of her wildly successful commodity trades in the late '70s, when she turned \$1,000 into \$100,000 in ten months' time. This spectacular performance is roughly similar to an unknown rookie baseball player batting .400 with 50 home runs and 150 runs batted in — and then retiring.

Needless to say, her spectacular profits have raised some questions. Did she receive favorable treatment? If so, was this treatment the reward for some favor by her husband? And why had she hidden her spectacular record as a commodity trader from the public for more than a decade?

A *spectacular performance*. What she said in her press conference is of only marginal interest, because she systematically avoided answering questions or providing any new information. But *how* she said it is fascinating. She constantly sought to give the *impression* that she was open about the whole business, saying things like "I'm glad you asked that" and maintaining perfect eye contact with reporters even as she evaded answering their questions.

She portrayed an entirely new character at her press conference. Instead of the take-charge, savvy, business-like feminist role-model co-president that she had hitherto presented the public, she played the role of Mrs Bill Clinton, wife and mother. Instead of standing in a power pose behind a lectern, Hillary sat on a dining room chair.

Instead of her usual dress-for-success outfit, she wore a pretty pink sweater and skirt reminiscent of Pat Nixon. Instead of discussing "the president," she referred to "my husband." She was feminine, not feminist.

When asked substantive questions for facts about her trading, she evaded, changed the subject, or claimed an inability to remember. She had no recollection of how she made a \$5,300 profit on a \$1,000 investment in a single day. She had no idea why she hadn't been subjected to margin calls. Through all her evasions and obfuscations, she never once lost her demeanor of housewifely openness. It was a brilliant performance.

At times, the sharp lawyer could be detected ("there's really no evidence of that," "I had no reason to believe that," and "to the best of my recollection"). But even when reverting to cover-your-ass legalese she kept up her ingenuous style. Without providing a scintilla of explanation of how she had made such spectacular profits despite her lack of knowledge or experience, she feigned ignorance of even a clue to why a governor's wife might receive favorable treatment from a firm that happens to need relief from state regulation.

She did sneak in one outright lie, but no one in the press noticed it. When asked why she made such a risky investment, she replied, "I didn't think it was that big a risk." At the time, she contracted for liabilities of about \$3,500,000, she had a net worth of about \$60,000. Surely, she could not

have believed that this "wasn't that big a risk." It may be that some naïve investors don't understand the risks involved in commodity futures contracts. But Hillary was a practicing attorney, a graduate of Yale Law School. Certainly, she cannot claim she hadn't bothered to read the fine print.

She did speak directly to one issue. Why had Bill and Hillary denounced the Reagan years as "a Gilded Age of greed and selfishness, of irresponsibility and excess and of neglect" in which too many focused on "acquiring — acquiring wealth, power, privilege," when she and her husband had profited spectacularly from their own efforts to acquire great wealth in highly leveraged and risky transactions? The answer, she explained, was that she was imbued with traditional American virtues of thrift, providence, and a desire to provide a college education for her daughter, who at that point was just a gleam in her father's eye.

Most observers from the press thought she was a smashing success. She had managed to allay people's suspicions. As Howard Fineman of *Newsweek* put it, "This was a masterful piece of political theatre. I think it should go in the archive of every politician under pressure, who wants some instruction on how to seem calm and candid in the face of a lot of questions. She looked for all the world like someone who had nothing to hide."

It was the ultimate victory of form over substance. What is important in American public life is not honesty, but the *appearance* of honesty. What is important is not openness, but the *appearance* of openness. What is important is not integrity, but the *appearance* of integrity.

By changing her clothes, by adopting an ingenuous attitude, by sitting on an effeminate-looking chair, by feigning old-fashioned virtues, by looking people straight in the eye, by staying calm and collected, by acting the role of a submissive housewife shepherding her family's meager resources so they can avoid becoming a public charge in their nonage, she managed artfully to deflect questions as masterfully as any political spin doctor, and to portray herself as an entirely innocent victim of a nasty press and partisan opponents.

An unasked question. Reporters

asked Ms Clinton four questions and four followups about the mysterious death of Vince Foster, Ms Clinton's former law partner who was working on Mr and Ms Clinton's Whitewater problems. But no reporter asked the following question of the first lady:

"It has been long rumored that you had a long-term sexual relationship with Vincent Foster. These rumors have been substantiated by several state troopers who provided security services. Were you and Mr Foster involved in a sexual relationship?"

My guess is that no one asked that question out of a sense of decorum, a respect for the office of the presidency, a respect for the privacy of the First Family, and a feeling that the issue is irrelevant. While these reasons made sense at one time, they no longer make sense today.

The public has no "right to know" the intimate relations of the First Couple, except as it becomes relevant to the president's ability to govern. There was no reason, for example, for the public to be kept informed of Lyndon Johnson's or Franklin Roosevelt's or Warren Harding's adultery. All three men limited their infidelities to people who were uninvolved in government, and all were discreet. The fact that they were having sexual relations with women who were not their wives

had no impact on how they did their jobs.

So long as Hillary's relationship with Vince Foster was one between a prominent lawyer and his legal partner who happened to be the wife of his state's governor, it was an inappropriate subject for public discussion. But things have changed: Hillary Clinton and Vincent Foster became government officials. Evidence has been published that Hillary Clinton and her husband diverted money from the public treasury to their own pockets, and that Vince Foster was involved in their scam. Vincent Foster's job as a member of the White House staff apparently involved acting as the Clintons' private attorney charged with defending them against the charges of corruption. Vince Foster died under peculiar circumstances. And a number of credible witnesses to his and Ms Clinton's long-term sexual affair have come forward.

I am convinced that, taken together, these developments overwhelm any inhibition in favor of privacy for the First Couple. If Foster and Ms Clinton were engaged in a long-term romantic relationship, it puts a different cast on his apparent suicide and on his role as advisor to the Clintons on their Whitewater problems.

*A peculiar timeslot.* As evidence of

corruption in the Clinton household mounted over the past several months, the press and public had been clamoring for Ms Clinton to hold a press conference to answer questions. Virtually without warning, Ms Clinton called a press conference on the afternoon of April 22. It was too late for it to be reported in the Friday newspapers. Saturday papers in this country are traditionally thin and thinly read, and by Sunday it was old news. Nightly network news and latenight news programs draw their lowest ratings on Friday evenings. The press conference, which would surely have attracted a large television audience if scheduled in prime time, was held at 3 p.m. when the airwaves are dominated by soap operas and talk shows.

Why did the White House schedule the press conference to minimize exposure? The only explanation I can figure is that her handlers feared that she might botch the job, despite the facts that she was obviously well-rehearsed and that the event was very carefully staged. In retrospect, given Ms Clinton's superb performance, I suspect the White House regrets its decision. But it's hard to explain the odd timing of the press conference as anything other than a vote of no confidence in Ms Clinton's ability to finesse the public. □

### Stephen Cox, "Richard Nixon, 1913-1994," *continued from Reflections, page 15*

Hiss case. Alone among the members of his congressional committee, many of whom were farther to the right than he, Nixon had perceived that Whittaker Chambers, an eccentric and apparently disreputable man of letters, was telling the truth when he said that Alger Hiss, an unusually suave member of the Roosevelt administration, had been a Communist spy. Nixon courageously pressed the investigation, and Hiss, the darling of the political Establishment, was sent to jail.

This was bad for Nixon's reputation. From then on, if you grew up in a Democratic family, you were taught to hate Nixon. If you grew up in a Republican family, you were taught to love Eisenhower. It is probable that nobody but Whittaker Chambers ever considered Nixon his first choice for president. Nixon knew this, but with

great, though probably misdirected, fortitude, he kept on trying to be important, no matter what.

Nixon is generally thought to have had a penchant for making a fool of himself, but this is only a half-truth. The Checkers speech is a case in point. When he was Eisenhower's vice-presidential running-mate, Nixon was accused of taking shady gifts from rich people and was nearly thrown off the ticket. His only chance of survival was the opportunity to make a television speech. Emotionally devastated, harassed by fellow Republicans, fighting for his life, Nixon faced the camera and denied that he had received any questionable gifts except a puppy named Checkers, which his children loved and which he was therefore not giving back. It was a strangely moving and probably honest speech, and it saved

his career.

Debating his good friend John Kennedy during the 1960 presidential campaign, Nixon refuted Kennedy's cynically false charge that the Republican administration had allowed the Russians to achieve superiority in the missile race. He declined to agree with Kennedy that America should go to war to defend two insignificant islands (now long forgotten) lying off the coast of China. Nixon was clearly in the right, although the television audience was more impressed by Kennedy's relative good looks than by Nixon's relative good sense. Nixon received more votes than Kennedy but was counted out in corrupt Democratic precincts.

During the Watergate affair, Nixon was discovered to have made tapes of incriminating conversations, which he

*continued on page 50*

## Memoir

# An American Editor in Asia

by Bruce Ramsey

Where the press is regulated and first amendment rights are unknown, how fearless can a journalist afford to be?

“We don’t have any first amendment to hide behind here,” my editor-in-chief told me. His tone was unmistakable: I was another one of those Americans who had never had to practice journalism in Asia.

I was in Hong Kong, a place with a press nearly as free as America’s. But Hong Kong is a speck surrounded by nations that are less free — some, not free at all. We had to make peace with enough of those jurisdictions if we were to survive as a business.

The publication I worked for in the early 1990s circulated mainly in Southeast Asia. We attempted to practice American-style journalism, and did fairly well at it. Our staff included Americans, Canadians, Filipinos, Indians, New Zealanders, and people from Britain; we employed a Pakistani who had been run out of his country years before, and several Shri Lankans who had fled Colombo. We thought of ourselves as a voice for truth and honesty — which we were, some of the time. But we had our limits.

One of the most common: *don’t insult the head of state*. In Thailand, we could criticize the prime minister, but the king could not be demeaned in any way. If we ran a photo of Bhumibol Adulyadej or his queen, it had to be on the top of the page, and not next to a drug dealer or a punk rocker. Thais are also sensitive about Buddhism; *The Asian Wall Street*

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*Journal* was briefly banned in 1990 over a story about errant monks.

The Tourism Authority of Thailand asked the police to ban Dow Jones & Co.’s *Far Eastern Economic Review* for accusing them of cooperating with promoters of sex tours. The cops didn’t bother. Thailand was not so bad. The government, it was said, was harsher on the Thai-language press than the two English dailies or offshore publications like ours.

In Indonesia, ruled by Suharto — no first name, just “Suharto” — for 25 years, we had to be careful not to frontally attack the dictator’s sons and daughter, who have arranged for their rice bowls to be filled by the government toll-road concession and a state monopoly on cloves. Every big business deal (such as General Motors’ recent \$100-million venture to assemble Opel cars) had a Suharto in on it. At my publication we could disclose these questionable connections, and even quote one of the few brave critics, but we could not *campaign* against the Suharto family.

There was always a line we could not cross. Powerful officials set that

line, and sometimes changed it. Officially, the line in Indonesia was that we could not stir up religious or ethnic animosity — between Islamic fundamentalists and moderates, between ethnic Chinese (3% of the population) and the others. Nor could we give a public platform to armed rebels. Indonesia is tougher on the foreign press than Thailand is, but not as bad as it was in the 1980s. Back then, we could not print Chinese characters — even in a photo of a Hong Kong street.

### Editorial Groupthink

Hong Kong has a free press, and has China’s guarantee that the press will remain free after July 1, 1997. But a lot of people don’t believe that guarantee. China’s impending takeover of Britain’s last major colony already affects what people write and what sources say — especially Chinese who don’t have a foreign passport. Sticking one’s neck out is not the Chinese way. In Hong Kong there’s the additional worry that somebody could be writing down your name. Maybe, three years from

now, you'll lose your job, or your son won't get into the university. Why chance it?

Many who plan to stay after 1997 want China's promise of "one country, two systems" to work. My employer certainly did. Our company planned to keep our editorial offices in Hong Kong, so we tended to ignore stories that undercut China's credibility. While I was there, Hong Kong's lawyers had a long battle over the future

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*In Thailand, we could criticize the prime minister, but the king could not be demeaned in any way.*

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composition and jurisdiction of the territory's supreme court. It was a crucial issue: who was to have final say over a legal dispute in Hong Kong — the "Special Administrative Region" of Hong Kong or the government in Beijing? We ignored it.

After Britain appointed Chris Patten governor in 1992, Patten pushed China to agree that more seats in the legislature would be elected by popular vote. (China had agreed to one-third; the rest were to be appointed by the executive, or would represent banks, unions, professional groups, and the like.) We treated the story as a showdown between Britain and China. We did not see a victory over China as crucial to the people of Hong Kong. If we had, we would have given a sympathetic forum to the United Democrats of Hong Kong, the political party that swept the open seats in the colony's first and only real election in September 1991. Instead, we spent 1992 and 1993 hitting the same story again and again: *China's economy is booming*. Democracy and human rights, defined in an "Asian way," could come later. When I left the magazine, there was a plan to proclaim Deng Xiaoping the Man of the Century.

This was not censorship; it was groupthink led by the editor-in-chief. But it had its roots in the impermanence of political freedom in Hong

Kong and the need to survive in a world without a first amendment.

Of course, the first amendment cannot protect you from everything. In the U.S., if you attack an advertiser, it will pull its ads — count on it. You might not call that censorship because it's private action, but it certainly affects your ability to publish what you think.

And just as America has social taboos (against men holding hands in public, for instance), it has editorial taboos as well — primarily about race, religion, and ethnicity. All American journalists know what these taboos are, and so do their readers. The same is true in Asia, except that there, the taboos (also about race, religion, and national identity, among other things) are often backed up by censors, police, and army officers — and in places like Sri Lanka, death squads.

In Hong Kong, we editors were under the umbrella of British rule. Our readers were not. If we angered the censors in their country, the offending issue could have pages torn out or, more likely, get stuck in the post office. We could not afford to have this happen very often; otherwise, we'd go out of business.

My publisher's stated philosophy was that our only protection was objectivity and integrity. The American press was protected by the first amendment; it could afford to be "irresponsible." We couldn't. We had to be "fair."

Well, we weren't always fair, but were damn sure not to be unfair to the governments of countries where we were vulnerable to political interference.

We did have an editorial bias — explicitly pro-free trade and pro-capitalism, and pro-Asia politically and culturally. We liked democracy, but objected to the U.S. trying to push it on a government, like China's, that didn't want it. We felt free in editorials to lecture the United States, the British Hong Kong government, and (more gently) the Philippines and Japan; those countries had free presses. We thumbed our noses at totalitarian North Korea and Burma, where we had no circulation and no prospect of getting any, and demanded the release of Nobel Peace Prize-winner Aung San

Suu Kyi. But we were almost entirely silent about China's political prisoners, and we never brought up Tibet or promoted the Dalai Lama. We accepted that Tibet, Hong Kong, and Taiwan were part of China. We had no circulation in China yet, but we had dreams of it — and hoped to stay in Hong Kong after 1997.

And of Malaysia and Singapore, our big rice bowls of circulation, we had no real criticisms at all.

### **Censorship, Singapore-Style**

Unlike Vietnam, Burma, and China, where the state owns the media, in Singapore and Malaysia the press is private. We were permitted to circulate there if we played by the rules. In those countries, the state influences the press through licensing, official-secrets laws, and indirect ownership of shares in media companies. For foreign press like us, control is maintained through approval of correspondents' visas — and occasionally, an outright ban.

For publications too important to ban, there are other ways. Singapore's

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*We thumbed our noses at totalitarian North Korea and Burma, where we had no circulation and no prospect of getting any. But we were entirely silent about China's political prisoners.*

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weapon against the foreign press is "gazetting," a fixed limit on circulation. You can publish what you like, but if you're gazzetted, only a handful of people in Singapore can read it. The newsstand copies of gazzetted publications carry stickers with an official serial number. If your circulation limit is too low, no advertiser who wants to reach a Singapore audience — the richest in Southeast Asia — will consider you. Instead, they'll buy space in the *Straits Times* (circulation 342,000) or the *New Paper* (circulation 92,400), both owned by Singapore Press Holdings, which is indirectly controlled by the government.

Singapore unleashed gazetting in 1986–87. It cut *Time's* international edition from 18,000 to 2,000 copies over coverage of an opposition member of parliament (at one time the *only* opposition member).<sup>1</sup> *Asiaweek*, a Time-Warner magazine in Hong Kong, was cut from 11,000 to 500 over an article about supposed Communist conspirators detained under the Internal Security Act. (One Singaporean was detained without trial for 23 years under that law.)<sup>2</sup> *The Asian Wall Street Journal* was cut from 5,000 to 400 when it questioned the Singapore government's motives for setting up a second stock exchange. AWSJ offered to circulate for free to subscribers; Singapore agreed if it removed its advertising. AWSJ declined, and pulled out. It continued to be printed in Singapore, but only for non-Singapore markets.

In 1987, Dow Jones & Co.'s *Far Eastern Economic Review*, also based in Hong Kong, was cut from 9,000 to 500 copies, also because of its coverage of the "Communist conspiracy" case. (The foreign press didn't accept that there was a conspiracy.) The *Review* withdrew from Singapore. The government then authorized a pirate edition, printed with all the copy intact but blank spaces for the ads. The prime minister (now senior minister), Lee Kuan Yew, sued the *Review* for libel — in his own courts — and won.

Singapore's justification for this, according to Lee's son, Second Minister for Defense Lee Hsien Loong, was: "Singapore does not object to foreign correspondents reporting about it in any way they choose to foreign audiences, providing they get their facts right. . . . Their ideological biases do not matter to us. But when foreign-based journals with significant circulations in Singapore start to report on Singapore for a Singapore audience, the government has to take care. We do not want such foreign journals to take sides on domestic political issues."

Singapore argued that its neighbors like Thailand or Indonesia need not worry what the English-language foreign press says, because the publications with influence in those countries were in Thai, or Malay. But in Singapore, English is the language of

business. The government had to control the English-language press *because too many people read it*.

*Asiaweek* toed the line. It had written caustic editorials against the nanny state — Singapore's posting a fine for failing to flush a public toilet, etc.

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*Of course, the first amendment cannot protect you from everything. In the U.S., if you attack an advertiser, it will pull its ads — count on it.*

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These stopped. In a few years, *Asiaweek's* restriction was raised to 5,000, then 10,000, then 12,000. *The Asian Wall Street Journal*, whose correspondent was banned from covering a visit by President Bush (while the correspondent from the U.S. *Wall Street Journal* was let in), accused *Asiaweek* of sucking up to Singapore.

At *The Asian Wall Street Journal*, the editorial page continued to take a bold line against the Chinese government, regularly beating the drums for imprisoned dissident Wei Jingsheng.<sup>3</sup> The editor of the news pages, Urban Lehner, conceded at a forum in Seattle in November 1993 that because of this position, the paper's circulation might be restricted in Hong Kong after 1997. But in 1992 and early 1993, I did not notice the *Journal* campaigning for Singapore's prisoners of conscience. I recall no denunciations of Singapore's Internal Security Act, its prohibition of TV-satellite dishes (foreign influence), its ban on *Cosmopolitan* magazine (bad values for Asian women), or its 1992 ban on the sale of chewing gum (too much hassle to clean it off the subway seats).

For Singapore, gazetting worked. For a rich city-state like Singapore, full of American business executives, banning *Time* and *The Asian Wall Street Journal* would have been stupid. Restricting circulation worked much better.

The government also kicked out a few correspondents. The new ones, and their editors, got the message.

Such a system requires a reminder

now and then. One came on August 13, 1992, when agents of the Internal Security Department raided the offices of the *Business Times* (circulation 25,100), a sister paper of the *Straits Times*. The offense: printing a leaked estimate of the economic growth rate. This was deemed a violation of the Official Secrets Act. The reporter and her editor were questioned at police headquarters. Police searched through the reporter's notes, her computer's hard disk, and her diary. The government defended its actions, on the grounds that the Gross Domestic Product was a government secret until officially released, and was information that could be used on the stock exchange.

In August 1993, Singapore gazzetted *The Economist*, which had repeatedly mocked the nanny state. The government wrote long letters, and insisted on a right of unedited reply. When it didn't get that, it limited the London-based magazine to 7,500 circulation, which merely kept it from expanding.

Singapore recently passed a right-of-reply law requiring the private press to print its rebuttals. Prime Minister Goh Chok Tong explained his position on his visit to Seattle in November 1993: "Freedom of speech means both ways. You can disagree with me, but I'm in the position of governing Singapore, and if your point of view is going to lead Singapore the wrong way, I'm going to show you up, and embarrass you — just as you were trying to embarrass me."

### The Malay Sledgehammer

Malaysia's system is similar to Singapore's, though less sophisticated in its apparatus of control. In 1987 it closed the second-biggest English-language daily paper, the *Star* (circulation 152,000), for articles "prejudicial to national security and public order." The *Star* was allowed to reopen five months later — minus some of its best journalists, who had left for Hong Kong.

My publication gave Malaysia special treatment, particularly on stories about the "three Rs": race, religion, and royals. We would not dare criticize the affirmative-action policy favoring

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Malays over ethnic Chinese, even though our readers in Malaysia were mostly Chinese. We did not criticize Malaysia for their use of the death penalty for drug smuggling (Malaysia had 17 executions in 1991, mostly for drug offenses), or their law against kissing in public (even your spouse). We never said one word against Islam being the state religion in a country where only 52% are believers, or the policy of forcing all Muslims to be subject to religious courts. We did run a provocative picture in 1992 of some tribal people's Christian church that had been torn down by government agents. That issue was banned.

Until January 1993 we wrote little about Malaysia's sultans, a gaggle of rich aristocrats constitutionally immune from prosecution. We had heard about the golf caddy beaten senseless by an arrogant kingleet — any taxi driver in Kuala Lumpur could tell you about it — and the sultan who pardoned his son for a murder. The only case we wrote about was the Sultan of Kelantan, who refused to pay import duty on his new Lamborghini.<sup>4</sup> Only after Prime Minister Mahathir Mohamad unleashed his own press against the sultans did we join in — cautiously.

As in Singapore, the rule in Malaysia was, if the government allowed a debate about a contentious issue, we could cover it. We couldn't take sides, but we could interview and quote people who did. We could, therefore, give a voice to the opposition, as long as we were careful to be fair to the government.

### The Sanction of the Victim

The problem with this kind of system is that you get accustomed to it. You censor yourself. You don't know exactly where the line is, so you stay well behind it. You know certain stories are trouble, so you either don't do them, or you pull the teeth out of them. Why create trouble? Fighting Lee Kuan Yew in a Singapore court means spending tens of thousands of dollars for lawyers, hours of your time, airplane tickets, hotel bills, hassle, and argument. If you're a correspondent, it means you might get expelled, or not get your visa renewed.

If some foreigner criticizes you for being uncritical, you reply that you are just being fair, because you have "no first amendment to hide behind." You point to the stories that you *do* cover well — and there are many — and point out that if you were shut down by Malaysia or Singapore, you could do nothing.

You settle for half a loaf — or three quarters, or one quarter, or whatever you can get. After a while, you don't miss what you have lost very much. A few years after your brush with Lee and Mahathir, you find yourself fawning over them. Lee's criticism of Western democracy becomes the wisdom of a statesman; Mahathir's idea that environmentalists are stalking horses for Western timber companies is a good Asian point of view. To you, American journalists sound arrogant and shrill, obsessed with human rights, irresponsibly unconcerned with the *effect* of what they write. They are stirring up discord, dissension, trouble. Asia does not tolerate as much of that, and you have learned not to push your luck. □

### Notes:

1. J.B. Jeyaretnam, elected in 1981 as the first opposition member in 15 years. He later fled to the United States.
2. Chia Thye Poh, a former opposition member of parliament, arrested after he and other members of the Socialist Front resigned in protest of official harassment. Chia was released from prison in 1989 but remains under parole because he refuses to renounce an intention to overthrow the government. He says he never had any such intention, and to renounce it would be an admission of guilt. Singapore's ISA is immune from judicial review by a constitutional amendment passed by the ruling People's Action Party in 1989.
3. Released in September 1993, 14 and a half years into a 15-year sentence, in a vain attempt to persuade the International Olympic Committee to pick Beijing for the 2000 Olympic Games.
4. Sultans were allowed to bring in seven luxury cars duty-free each year, many of which are immediately resold at a profit. This Lamborghini was the sultan's eighth or ninth.

## Exchange

# The Old Right and Liberty

The battle over the past is part of a much larger contest for the future.

The May *Liberty* included R.W. Bradford's critical review of Justin Raimondo's *Reclaiming the American Right*, a book that offers a brief history of the "Old Right," the anti-war, anti-state right wing of the 1930s and '40s, and its replacement by the centralist, militarist Right typified by William Buckley. Raimondo is a self-proclaimed "paleoliberal." Paleoliberarians are culturally conservative libertarians who claim inspiration from the Old Right and have formed an alliance with the "paleoconservatives" centered around *Chronicles* magazine. The "paleo" alliance was formed to counter what its founders saw as the dominance of the American Right by neoconservatives, whom they view as cosmopolitan, globalist, and welfarist.

Paleos support a smaller, less powerful federal government. They are generally military isolationists, though many support a U.S. "sphere of influence" in Latin America. Paleos oppose open immigration and are leery of free trade. They stress the role of traditional social institutions such as family, church, and community as bulwarks against centralizing federal power.

In this issue, Raimondo takes issue with much of Bradford's criticism, and Bradford responds.

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### Reclaiming the Right

by Justin Raimondo

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I had actually been looking forward to *Liberty's* review of my book, *Reclaiming the American Right*. Naturally I expected

disagreement with my political agenda; what I was looking forward to was a real argument against the paleoliberal position. Why shouldn't libertarians ally themselves with right-wing opponents of the welfare-warfare state, now that the Cold War is over? I have never heard a good answer to this question, and Bradford doesn't even try.

Not at all shy about his sectarian political agenda, he takes umbrage at my description of conservatism as a desire to reduce the size and power of government. But no, says Bradford: "This is a pretty concise statement of the aim of the *libertarian* movement." By conflating the policies of conservative leaders with the sentiments and sincerely-held ideology of the rank-and-file, Bradford seems to be saying that the few thousand readers of *Liberty*, and perhaps a few more, are the last hope of human freedom. As a subscription-drive slogan, that might not be bad: it appeals to the reader's capacity for self-dramatization, and flatters him to think that he might belong to some rare and noble breed that alone has access to the Truth. This may even be true, at least for a time. The problem is that, even as it becomes less true, even as conditions change and an opening appears, the sectarian has become so heavily invested in his own isolated virtue that he is incapable of recognizing potential allies.

*Reclaiming the American Right* was criticized by John McManus, leader of the John Birch Society, for not presenting the neoconservative incursion in terms of a conspiracy theory — and at-

tacked by Bradford for conspiracy-mongering. I was confused by this before I realized that neither reviewer defined what he meant by a "conspiracy." Such phrases as "Fifth Column" and "Trojan Horse" may be a bit too "inflammatory" for Bradford's refined tastes, but surely even he is not so dull as to believe that these metaphors are meant to be taken literally. There is no evidence that a secret cabal of ex-Trotskyites plotted to take over the conservative movement: only that a large number of ex-Trotskyites (and other ex-leftists) became leading conservative theoreticians, journalists, and publicists, often occupying key positions in the core institutions of the Right. If you

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*Bradford's whole line of criticism is unbearably pretentious: my aim was to make the history of the Old Right accessible to the ordinary reader, particularly to young people.*

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want to call this a conspiracy, then so be it: I never did, and the word is not used once in my book in that context. In my own view, the word cannot be used except in the broadest sense of a conspiracy of ideas — and even then, to describe it as a "conspiracy" is to indulge in rhetoric so inflammatory that one runs the risk of being declared a fire hazard.

The irony is that Bradford seems to

have his own conspiracy theory about how my book came to be written. According to him, the writing of it was the culmination of a sinister plot by my two good friends, Murray Rothbard and Lew Rockwell. (Why is it that I often felt, on reading Bradford's piece, that what was being reviewed was not my book but my relationship to Murray and Lew?) The proof? "Raimondo dedicates the book to Rothbard," he breathlessly reports; not only that, but I thank him in the acknowledgements! Of course, Murray shares the dedication page with two other co-conspirators: Michael Escobar, my lover of the past twelve years, and Colin Hunter, a founding member of the Libertarian Republican Organizing Committee. Bradford claims I "wrote this book while supported by the Center for Libertarian Studies and the Ludwig von Mises Institute." If only it were so. In fact, I never received a grant from *any* foundation or think tank; it never occurred to me to even apply. I simply decided to write a book on the Old Right, and then did so, without a penny from anyone.

The criticism of my chapter on James Burnham is absurd: Burnham wrote only two books after taking up his editorial position at *National Review*, neither of which contradict the theses of his earlier works. Burnham's columns for *NR* were just as boring as Bradford remembers, which is why I didn't quote from them. And is it really necessary to prove that Burnham exerted an important influence on *National Review* as senior editor? Burnham embodied the central theme of the Buckleyite Right: the overriding importance of the anti-Communist crusade backed up by a policy of global intervention. He did not single-handedly impose this agenda on the Right, but his political odyssey from Left to Right, and his view of the inevitability of statism (or "managerialism"), exemplified the neoconservative trend.

Like all left-libertarians, Bradford hates McCarthyism, and is furious when I don't condemn Tail Gunner Joe out of hand. But it isn't that easy: McCarthyism was a contradictory phenomenon. As a reaction to the Popular Frontism and "isolationist"-bashing of the war years, it allowed many Old Rightists such as John T. Flynn to get in their lickings in retaliation for years of

smears and blacklisting; it also confirmed the Old Right insight that the differences between Communists, "democratic" socialists, and New Dealers was negligible. But as an adjunct to the Cold War and the interventionist foreign policy of the professional anti-Communists, McCarthyism was a disaster.

Bradford is really out of his depth when he questions my sources. I am guilty of "inept research and scholarship" for having quoted only two biographies of *Chicago Tribune* publisher Colonel McCormick, plus "a couple of

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*The Old Right was larger, better financed, better organized, and far more effective as a movement than what passes for the libertarian movement of the '90s.*

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anthologies published by the *Tribune*." That there are only two biographies of McCormick is regrettable, but why blame me for *that*?\* As for the contention that it was somehow necessary to quote or summarize every magazine or newspaper article written by John T. Flynn: this would be true only if I were writing a full-scale biography of Flynn. It is *not* true that "every single passage" of Flynn's that I quote is from Ronald Radosh's valuable study: I quote directly from his many books, and rely on Radosh for the radio scripts because they have never been published anywhere else.

Bradford condemns me for writing "a political tract masquerading as a scholarly work." My book is a *popularization* of a complex subject, and was

never meant to be anything else. I find this whole line of criticism unbearably pretentious: my aim was to make the history of the Old Right *accessible* to the ordinary reader, particularly to young people. Snobbery is not something that interests me or motivates me as a writer.

Incredibly, Bradford makes the claim that "the Old Right was never a movement at all, let alone a mass one." With a dismissive wave of his hand — kind of Randian, as if he were holding a long cigarette holder — he consigns the history of the libertarian movement to oblivion. He says that the Old Rightists depicted in my book "had little in common beyond their opposition to overcentralized government and World War II." In other words, the Old Right opposed the two main statist trends of the twentieth century, war and the growth of the modern megastate — but that doesn't amount to much in Bradford's book. It does in mine. Opponents of U.S. entry into the great "anti-fascist" struggle endured much: smears, blacklisting, government surveillance, and legal sanctions up to and including sedition trials. The point of the book and the story of the evolution of the Old Right is that, in the course of opposing what Bradford calls the "overcentralization" of government and the war, the Old Right developed a consistent (and actually self-conscious) anti-statist ideology. A network of organizations and periodicals, along with a cadre of intellectuals and organizers, including virtually all the libertarians, grew up around this ideology, which dominated the Right until the Buckley crowd came along. For Bradford to deny this is more than a little odd: it is unsettling, like watching someone spit on the graves of his ancestors.

Even more untenable is his assertion that Old Rightists did not think of themselves as part of a movement. What about the nearly one million members of the America First Committee, the well-organized and vociferous isolationist contingent in Congress, and the battery of Old Right organizations that led the fight against FDR's court-packing scheme and the National Recovery Administration, among them the Committee for Constitutional Gov-

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\* And I'll have you know that those *Tribune* anthologies were not found in any library — and good luck to you if you expect to find them there! I uncovered them in a second-hand bookstore after over a year of searching. Now *that*, I submit, is *research*. Later in his piece, the editor of *Liberty* complains that he couldn't find a copy of Gareth Garrett's book *The Driver*, and whines about the lack of (public) libraries in his neck of the woods. I say: get off your butt, Bradford, and start combing those second-hand bookshops!

ernment (run by newspaper magnate Frank Gannett), the New York-based National Economic Council, the No Foreign Wars committee, not to mention the local political machines run by Old Right elected officials in the Senate and the House?

Bradford's true ignorance comes out when he writes that Harry Elmer Barnes, John T. Flynn, Robert A. Taft, and Louis Bromfield did not think of themselves as part of the same movement. In fact, Barnes corresponded with every one of the individuals named with the exception of Bromfield; his continuing campaign on behalf of revisionist history had a profound impact on the postwar views of isolationist conservatives in Congress and the Republican Party. John T. Flynn supported Taft for president, was on the board of every major Old Right organization, and kept in touch with the senator. Bromfield's book, *A New Pattern for a Tired World*, has whole sections filled with quotations from articles in *The Freeman*, the works of Gareth Garrett, Mencken, Nock, and others; he once held a Taft for President rally on his front lawn. Albert Jay Nock was editor and chief writer of the *National Economic Council Review of Books* during his last years, and Rose Wilder Lane took over when he died; the NEC, a prominent and very active center of Old Right political activity, provided a safe haven and platform for both writers when their views could find no other outlet.

In fact, the Old Right was larger, better financed, better organized, and far more effective as a movement than what passes for the libertarian move-

ment of the '90s. It controlled several major newspapers, launched the largest anti-war movement in American history, and had a prominent place in the Republican Party, including among its most zealous partisans many elected officials. If the Old Right did not constitute a movement, then — by Bradford's rather odd standards — certainly the modern libertarian movement also fails to qualify.

The capsule biography of me in the section entitled "The Devil in Justin Raimondo" is wrong: I never supported Jack Kemp for President. The essence of my argument against Ron Paul's 1988 presidential campaign was that Libertarians should abandon the third-party strategy and work within the Republican Party, a strategy I advocate to this day. I have indeed changed my view of the John Birch Society since 1988 — after all, they opposed the Gulf War, while *Liberty* was at best ambivalent.

I see nothing all that "peculiar" about what Bradford calls my "political odyssey." I started out a Goldwater conservative, and wound up in the libertarian movement via Ayn Rand. There were hundreds of us, and later thousands, all over the country, who later became active in the Libertarian Party. The Libertarian Party Radical Caucus was the conscience of the party at a time when it sorely needed one. While I no longer support the land reform plank in the LPRC statement of principles, I stand by the abolitionism and anti-imperialism that made the LPRC's newspaper, *Libertarian Vanguard*, the object of attacks by party "moderates." While disclaiming Bradford's description of myself as a "professional gay militant," I am the author of *In Praise of Outlaws* — and proud of it. The point of the booklet was to oppose anti-discrimination laws and underscore the intrinsic hostility of the state to the homosexual minority, and I stand by every word of it. It was the first (and last) time the official libertarian movement did anything to oppose gay anti-discrimination ordinances, which at that time were just beginning to pop up around the

country. What Bradford describes as an "anti-police riot" was in fact a response to the virtual acquittal of the murderer of gay leader Harvey Milk; the killer got off on grounds of "diminished capacity," and local LP activists (including myself) sponsored a mass public meeting at which both Ed Clark and

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*With a dismissive wave of his hand — kind of Randian, as if he were holding a long cigarette holder — Bradford consigns the history of the libertarian movement to oblivion.*

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Thomas Szasz spoke out against the verdict.

In writing about the history of the Libertarian Party, I left out my own role on two grounds: (1) This would have necessitated the use of the first person, and would have disrupted the narrative flow of the book, (2) My role was relatively unimportant, and therefore safely left out of a general overview of the LP. I was aiming at a bigger audience than the few hundred people who would be fascinated by a detailed account of the Libertarian Party's internal feuds.

Bradford's sidebar on the Ayn Rand/Garet Garrett connection is worthless, since he is too lazy to make the effort to get hold of a copy of *The Driver* and actually read it. Those who make the effort will discover that Garrett's use of the "Who is Henry Galt?" motif — meant to imbue his character with a sense of mystery — is very similar to Ayn Rand's use of the same phrase. The similarity of the character Vera to Dominique Francon in *The Fountainhead* is also quite startling. The political themes of *The Driver* are similar to those in Rand's work; and in both works men of genius, persecuted for their virtues, are put on trial. Taken separately, these similarities can be put down to coincidence; taken all together, they add up to the distinct possibility of Garrett's direct influence.

I spoke with both Nathaniel and Barbara Branden before writing the



Baloo

"Och, MacPherson — Your slip is showin'."

section on Rand; neither had any knowledge of Rand's familiarity with Garrett (not surprising, in view of my thesis). Nathaniel Branden thought it very possible she might have read it and then forgotten all about it, and remarked that he found the process by which she subconsciously integrated the Garrett material "fascinating." Barbara Branden was taken aback by the similarities between the character Vera and Dominique Francon, and agreed that it was possible Rand may have read *The Driver*. In my book, I paraphrase the thrust of her comments to me, without attributing them to her, in which she speculates that Garrett's novel may have been "a take-off point, a stimulus which led her to the question, 'Wouldn't it be interesting if . . . ?'" (p. 203)

Now, there is nothing wrong with using another writer's work as a take-off point. All I say in my book is that Ayn Rand probably read *The Driver* and was influenced by Gareth Garrett; writers are influenced by other writers all the time, and I fail to see what all the shouting is about. Bradford says *The Driver* is "obscure," but in fact it was serialized in the *Saturday Evening Post*, the largest-circulation magazine in America at the time, from December 1921 to January 1922. Is it all that unlikely that an immigrant who envisioned a career as a writer might have read back issues of the *Post*, the premier market for fiction? Why is this controversial?

It is not true that I consider only the possibility that Rand consciously utilized some material in *The Driver* to the exclusion of all others. As I say in my book: "I am willing to admit that, in spite of all evidence to the contrary, Nathaniel Branden's theory that the Garrett material was sitting in her subconscious could well be true. I just do not think it is very likely" (204).

Bradford quotes the paragraphs in my book that disavow any charge of plagiarism on Rand's part, and then proceeds to title his piece "Was Ayn Rand a Plagiarist?" He misses the whole point, for the sake of a grabby headline. As I say in my book, the Rand/Garrett connection is not a question of plagiarism, but of Rand's refusal to acknowledge any influence,

any sources, any allies — a position echoed by Bradford, who denies the existence of the Old Right and appears to believe that the libertarian movement sprang unaided from the brow of Minerva. □

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## Reclaiming the Truth

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by R.W. Bradford

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I am sorry that Justin Raimondo is disappointed that I didn't offer "a real argument against the paleolibertarian position. Why *shouldn't* libertarians ally themselves with right-wing opponents of the welfare-warfare state?" There are two reasons that I offered no such argument: (1) I was reviewing a book that purported to be a history of the right wing, and which offered no argument for a libertarian alliance with "right-wing opponents of the welfare-warfare state," so I didn't see any reason to discuss that question; (2) I believe that it is sensible for libertarians to form alliances with anyone who is opposed to the welfare-warfare state, whether they are left-wing, right-wing, or no-wing.

I am surprised that Raimondo claims that the "paleolibertarian position" is to form such an alliance. From what I have read and heard of the antics and activities of the paleolibertarians, their strategy is to form an alliance with a very small element of the conservative movement, one that is not particularly opposed to the welfare state or supportive of human liberty. The price of this alliance has been the abandonment of many important libertarian positions — free trade, open immigration, abortion rights, equal rights for sexual and racial minorities.

I believe Raimondo's assertion that the "desire to reduce the size and power of government" is the "sincerely-held ideology of the rank-and-file" of the conservative movement to be simply wrong. Before there was a self-identifying libertarian movement, I was very much involved in the conservative movement, and I remain peripherally involved today. Virtually all my experience in dealing with rank-and-file conservatives indicates that although they usually employ the rhetoric of liberty and argue for reducing the power of government, they advocate policies

that cohere with that rhetoric very selectively.

While conservatives generally favor less government intervention into economic activities in theory, most advocate increased government power to regulate or prohibit the use of drugs, restrictions on the free flow of goods across national borders, and prohibition or severe restriction of pornography. Worse yet, they enthusiastically support broad government intervention in the economy in the name of fighting crime by means of outlawing the use of cash (i.e., creating the crime of "money-laundering"). And most support a powerful military and an aggressive foreign policy.

Raimondo's citing the head of the John Birch Society's remarks as evidence that he is not a conspiratorialist is amusing — the last I heard, the JBS was keen on identifying conspiracies, but was not particularly expert in identifying promoters of conspiracy theories. Raimondo dismisses all his conspiracy-mongering by claiming that it was all "metaphor" — that is, that he did not really mean it — so there's not much point in citing the extensive specimens of conspiracy-mongering from his book. (The curious reader can refer to the examples of his conspiracy theorizing that I quoted in my review, or to his book.)

Raimondo challenges my statement that he wrote the book on grants from

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*The price of the paleo alliance has been the abandonment of many important libertarian positions — free trade, open immigration, abortion rights, equal rights for sexual and racial minorities.*

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the Center for Libertarian Studies and the Mises Institute, claiming that he wrote the book "without a penny from anyone." My source for my claim was Raimondo himself. In July 1992, he told me he was supported by CLS to the tune of \$1,000 per month to write "a book on the Old Right." Before publishing my review, I telephoned Rai-

mondo to verify my memory of our 1992 conversation, and he told me that he was supported in his effort by both CLS and the Mises Institute. I took him at his word.

In *Reclaiming*, Raimondo argues that Burnham was an evil influence on conservatism, citing as evidence passages from a variety of Burnham's writing while a self-declared leftist, while failing to include a single specimen of Burnham's thinking after he became a conservative. In defense of this preposterous method, he now dismisses Burnham's conservative writing as "boring" and as not "contradicting" his earlier writing, and suggests it is not "really necessary" to cite any of it. Well, then why did he find it necessary to cite more than 30 specimens of Burnham's leftist writing?

He misrepresents what I wrote when he says that I am "furious that [Raimondo] didn't condemn Tail Gunner Joe [McCarthy] out of hand." My criticism of his treatment of McCarthyism was that he both praises it and denounces it for the same characteristics. My criticism of his treatment of Col. McCormick was not simply that he cited only "two biographies . . . [and] a couple of anthologies" but that he *did no original research whatsoever*. Why did he not look up old *issues* of the *Tribune*? And contrary to Raimondo's assertion, I did not claim that "every single passage" of Flynn's was quoted from Ronald Radosh's study, thereby ignoring Raimondo's quotes from Flynn's many books. I claimed that every single quotation he cited from "Flynn's journalistic writing" was quoted from Radosh.

Raimondo chides me for characterizing his book as a "political tract masquerading as a scholarly work," saying that his book is "a popularization . . . never meant to be anything else." Yet his book apes the form of scholarly writing. Its acknowledgements thank Peter G. Klein for "mediating between the author and scholarly conventions" and conclude with the familiar scholarly disclaimer, "The usual caveats apply: Responsibility for the ideas presented in this book is my alone." Its endnotes follow scholarly conventions. The book was published by a scholarly institute, and one of its chapters was previously

published in a scholarly journal. In addition, the flyer included with the book identifies Raimondo as a "scholar" and lists his affiliations with two scholarly institutes. So perhaps I may be forgiven for suggesting that it masquerades as a scholarly work.

Raimondo seems most concerned about my argument that he misreads history when he bases his analysis on the notion that the Old Right was a

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*I examined all the evidence that Raimondo presented. But this is not enough to satisfy him. He wants me to examine the evidence that he does not present before arriving at a conclusion.*

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herent movement. Happily, here he offers readers of *Liberty* something he fails to offer readers of his book: a defense of this proposition, rather than its mere supposition. As evidence that the Old Right was a coherent movement, he cites the brief existence of several *ad hoc* committees and organizations that opposed one or another of Franklin Roosevelt's policies, the fact that many of the individuals he identifies as members of the Old Right corresponded with one another, that one Old Right person both wrote a book which quoted others and once held a Taft rally on his front lawn, that the Old Right "controlled several major newspapers, launched the largest anti-war movement in American history, and had a prominent place in the Republican Party." I suggest that these claims taken together do not qualify it as a coherent movement, even if all were true. (Nowhere, of course, do I claim that the individuals and groups loosely labelled the "Old Right" did not themselves exist, or were in themselves not important. I have written and published extensively about the importance of many "Old Right" figures.) His claim that my denial that the Old Right was a coherent movement is "like watching someone spit on the graves of his ancestors" is just plain bizarre.

Raimondo takes issue with my suggestion that his criticism of "the shabby treatment of Ron Paul at the hands of his LP [Libertarian Party] critics" should have included some mention of his own role. I remain convinced that it would be possible to do so without writing "a detailed account of the Libertarian Party's internal feuds." His opposition in 1987 to Paul's candidacy may well have been based on a conviction "that Libertarians should abandon the third-party strategy and work within the Republican Party," as he now claims. But that was not the argument he made in 1987, when he distributed hundreds of "Gay Nazis for Paul" buttons at the LP convention.

I am delighted to hear that Raimondo has rejected his former advocacy of returning virtually the entire United States to Indians and Chicanos, and to hear that he still stands by his support for the rights of homosexuals. While I am well aware of the particular events that touched off the 1979 San Francisco riot, I believe it is fair to describe a riot whose participants set police cars on fire and attack policeman with rocks as "anti-police." Quite frankly, I do not understand why Raimondo rejects this description.

As to the question of whether Raimondo's political odyssey is "peculiar," I shall leave that to the reader to decide.

Raimondo twice denies having accused Ayn Rand of plagiarism "in [his] book," characterizes the conclusion of his argument as "a distinct possibility of Garrett's direct influence," and claims that in his book he "disavows any charge of plagiarism on Rand's part," leading the reader to conclude that I misrepresented his argument. This is disingenuousness in the extreme. As I made very clear, the subject of my sidebar was a consideration of Raimondo's argument about Rand and Garrett, both in his book and in a longer essay published in 1992 in *Chronicles*. I quoted extensively from both versions, and I shall not repeat those long quotations here. Two samples will have to suffice: in the *Chronicles* essay he argued that Rand's novel *Atlas Shrugged* is "a literary and intellectual swindle which veers preciously close to being a clear case of plagiarism." In

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his book, he waters that argument down a bit: Rand may have "passed the boundaries of acceptable behavior in 'borrowing' a little too much." He concludes:

While not plagiarism in the legal sense, the unacknowledged and — in my view — conscious use of Garrett's work as a starting point for her own, does, in this case, constitute intellectual fraud. . . .

On the other hand, this is not a case of word-for-word plagiarism. . . .

Well, then, what kind of plagiarism is it?

In his response to my criticism, he writes "Now there is nothing wrong with using another writer's work as a take-off point. All I say in my book is that Ayn Rand probably read *The Driver* and was influenced by Garet Garrett; writers are influenced by other writers all the time, and I fail to see what all the shouting is about." This is a plain misrepresentation of what he wrote in his book. And the person doing "all the shouting" is Raimondo himself.

Raimondo dismisses my criticism of his argument because I "was too lazy to make the effort to get hold of a copy of *The Driver* and actually read it." This amounts to a claim that it is impossible to respond either positively or negatively to any argument without examining all the evidence referred to. While this sounds like a fair and reasonable requirement, it is in fact a ridiculous standard. If courts operated on this principle, they would be so hopelessly bogged down that they would hardly ever arrive at a decision: all a defendant would need to do to avoid conviction would be to cite as evidence the contents of the Library of Congress. Just as the prosecution must make a *prima facie* case before the court examines its argument in detail, so the proponent of an argument must make a *prima facie* case. My criticism of his argument is precisely that he failed to make even a superficially plausible case for it.

I examined *all* the evidence that Raimondo presented. But this is not enough to satisfy him. He wants me to examine the evidence that he does *not* present before arriving at a conclusion.

Of course, Raimondo does not really believe that one cannot evaluate his argument without reading the entire text

of *The Driver* (and, presumably, *Atlas Shrugged* and *The Fountainhead*, the two works he believes Rand "came perilously close to plagiarizing" from *The Driver*). If he actually thought this, he would condemn as "worthless" the views of those who agree with him who haven't read all three books, including his paleo colleagues Murray Rothbard and Paul Gottfried.\* And if he really believes that no one should be persuaded by his argument unless they had read all three books, why would he bother to make his argument in a magazine article at all? It seems safe to say that practically none of the 11,000 readers of *Chronicles* have access to Garrett's book, let alone the time and inclination to read its entire text, plus the 1,100 pages of *Atlas Shrugged* and the 750 pages of *The Fountainhead*. The same is true of the 3,000 or so buyers of Raimondo's book.

Raimondo fails to make even a *prima facie* case for his charge in either his original argument published in *Chronicles* or the watered-down version published in his book. At a minimum, an argument for plagiarism should make a superficially plausible case that there is sufficient similarity between two works that could be accounted for by plagiarism. And unless the similarity is so extreme that plagiarism is its only plausible explanation, it should persuasively argue that the accused knew of the writing that he is accused of plagiarizing. Raimondo did neither of these.

In the absence of a *prima facie* case, the fact that I failed to hunt up a copy of Garrett's long-forgotten novel is irrelevant.

\* In *The Conservative Movement*, Gottfried writes that Rand "borrowed the conception of her bloated novel *Atlas Shrugged* from Garet Garrett, down to such details as the name of her hero and the opening sentence, 'Who is Henry Galt?'" asks the narrator in Garrett's *The Driver*." His source note cites Raimondo's *Chronicles* essay. It is evident that Gottfried never read Garrett's novel, since the line he cites as the opening sentence of Garrett's novel actually first appears on page 150. Nor did he read Raimondo's article very carefully: though Raimondo seemed to be laboring to create the impression that the line appears throughout the novel, he never actually makes the claim in so many words, for the very good reason that it actually appears only three times in Garrett's novel.

## Libertarianism

# A Kid's-Eye View

*by Matthew Block*

A 12-year-old tells how liberty and libertarianism look from his perspective.

I first became aware of libertarianism from my dad. It all began when I asked him what he did for a living. He said he was an economist. Being pretty young then, I pronounced this as "Communist." My education in libertarianism began as my dad tried to explain what a Communist is, and why he wasn't one.

Based on these discussions, I now have something of an idea of what it means to be a libertarian. It's not exactly the same as my dad's idea, but he says that's okay. Most libertarians disagree on this anyway, he says. If there are five libertarians in a room, there are probably six opinions on any given issue. Or maybe seven.

Kids I meet all think that libertarianism is weird and that I'm weird for believing in it. They all have very different ideas from mine — they believe in compulsory recycling, trees forever, political correctness, feminism, and other pinko ideas. They think that government is great, that we need public health care and public schools, that the poor should be funded through taxes, that people shouldn't be able to discriminate on the basis of race, sex, nationality, etc.

In the past when I expressed my views they made fun of me. I was turned into a bit of an outcast. So I try to keep quiet about libertarianism — otherwise I suffer the consequences of free speech. I try to confine these discussions to my dad and to other libertarians.

I don't think that teenagers will ever become receptive to libertarian ideas until adults do. It is adults who usually influence kids. Suppose my dad were a pinko, and he taught me pinkoism; I might be a pinko right now. I don't think teenagers usually think for themselves about these matters.

But most adults think it's cool to be pro-government, to favor recycling, feminism, socialism. They transmit these views to kids.

Take television, for example. It is full of pinkoism — even the weather reports. (They use government satellites.) Cartoon shows are big on this. Mr Burns, on *The Simpsons*, is always dumping toxic pollutants. That is how businessmen

are widely seen. Consider the smoggies. There is this barge, and these evil cartoon characters dump pollutants, dirty oil, into the ocean. The "heroic" smoggies stop them.

Then there are comic books, and children's books. For instance, Captain Eco. He looks sort of like Superman, only he has a globe instead of a human head on the top of his body. Captain Eco goes around saving the Earth from this and that: pollution, cutting down the forests, that kind of thing. They never so much as even hint at a libertarian solution.

My dad and I are now involved in a project. I ask questions about libertarianism, or challenge it, and then we both try to find the answers to the problems I pose. So far, I've stumped him on a few. Let me share a few of these with you.

1. According to my dad, we humans have to recognize the rights of animals, but only if they petition for them, and respect those of us humans. Does this mean that we may kill mentally retarded human beings or babies, since they can do neither? Suppose only one member of the species is capable of petitioning for rights and recognizing them. You'd better watch out for a single intelligent mosquito. This would mean we couldn't kill any member of that species.

2. According to libertarianism, at least my dad's version, atom bombs are *per se* offensive weapons, and therefore would be banned in a libertarian society. He also said that nonhuman creatures (animals, robots) are entitled to human rights.

Suppose a mad scientist created a robot like Data of *Star Trek* (another pinko TV show, by the way). Only he created him with an atom bomb inside, which would go off if anyone threatened him, or used even the slightest amount of aggressive force on him. What do we do about Data, an innocent robot? At least so far, he has done nothing wrong.

3. What if a person in a house is playing the piano, and someone listens and records it, even though the pianist has copyrighted and sells tapes of his music. Can the taper legally do this under libertarian law? What about if the taper sells tickets to sit in his house and listen to the pianist? Can he do this? What about eavesdropping? Can the next door neighbor listen to the piano himself?

4. Suppose that someone says he will kill you. Do you have the right to kill him first? What if a baby says, "I will kill you, Dada." Can you kill the baby? What if a baby says, "I will kill you, Dada, in 15 years, when I am big and strong." Can you kill the baby now? What if someone is joking around, and says, "Haha, I'm going to kill you," in a pleasant, funny voice. Can you kill him and claim self-defense?

5. Someone — a kid, or a mentally retarded person — is in excruciating pain. He can't ask for a mercy killing; he can't speak. Can you kill him to put him out of his misery? Suppose there is a magical pain meter (so that you can tell for sure he is suffering), and there is no cure?

6. Suppose you know for sure that someone will murder in the future. Can you kill them now, if that is the only way to stop them? If not, you will have allowed them to get away with murder. If so, then you have violated the libertarian principle, innocent until you actually do something wrong.

7. The Martians announce that unless innocent person Joe is killed, they will destroy the whole world. My dad's answer is: justice though the heavens fall. Don't kill innocent people no matter what. This isn't too satisfying to me. Well, actually, his view is that libertarianism says nothing

about whether or not you should kill Joe; it says only that if you do, you should be punished. But the Martians can declare that if anyone punishes Joe's murderer, they'll blow up the world. So we can't have both libertarianism and world survival, too.

My view is libertarian speciesism: we do whatever it takes, no matter what, to guarantee the survival of the human species, even if it means initiating aggression against nonaggressors like poor Joe. Why? Because without the survival of human beings, there can be no such thing as liberty, freedom, or justice. And that, not the non-aggression axiom, is the true essence of libertarianism.

The purpose of libertarianism is to have liberty. But unless there are people around, no liberty can be had. Liberty can't exist.

8. Is it a crime to transport (switcheroo) a man from one identical universe to another? (He'll never know the difference, because the two universes are exactly the same in all respects.)

9. Should punishment be proportional to wealth, size, and strength or should it be absolute? A rich man steals \$2, which is equal to 50% of the poor man's wealth. Does he pay \$4, or 100% of the poor man's wealth (under my dad's two-teeth-for-a-tooth rule) or does he pay 100% of his own wealth? □

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*from Reflections, Stephen Cox, "Richard Nixon, 1913–1994," continued from page 38*

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indicated (again, with probable honesty) that he was preserving for the sake of "history" — a nebulous concept then frequently invoked by high-class thinkers as a substitute for "the voters," "morality," or "God." Nixon's absurdly made and absurdly kept recordings showed that he and his friends were operating the White House in a manner appropriate to the executive suite of a midwestern tool and die. Jaded voters searched the transcripts of Nixon's tapes in vain for the frenzied campiness of Lyndon Johnson or the grand chicanery of the Kennedys. Next to these master politicians, Nixon appeared unforgivably small. It didn't matter that the importance of Watergate itself was small. Nixon was forced out of office.

Nixon's record as president is that of a modern-liberal Republican pragmatist. He was the kind of Republican of whom far-left-liberal George McGovern could say, "He was pretty good on domestic policy." As an anti-Communist, Nixon was officially pro-capitalist, but he was oblivious to the free-market revolution in economic and political thought. He continued, though he did not accelerate, the disastrous Great Society programs instigated by the Democrats. Unfavorably impressed by an inflation rate that remained well within the single digits, Nixon attempted to reduce it by the silly and unconstitutional method of wage and price controls. This stratagem failed.

Not content simply to regularize relations with Red China, Nixon visited the place and drank toasts to its mass-murdering leaders. He appointed four justices to the Supreme Court, three of whom turned out to be morons. Although he possessed no visible understanding of the principle of limited government, he hearkened to the advice of libertarian advisors and eliminated the horrible abuse of conscription. I am not

aware that he ever took pride in having done this, or that many other people gave him credit for it, either.

Nixon was preoccupied with ending the war that the Democrats had bequeathed to him, but he found this almost as hard as they had. He couldn't imagine withdrawing, but neither could he imagine winning. After much expenditure of life, he obtained, by a mixture of toughness and chicanery, a face-saving settlement. The settlement collapsed during his successor's term, and Southeast Asia was absorbed by the Communists.

Nixon played golf, and he played the piano. His friends were few and dull. He was sincerely devoted to his family. He showed bravery when he lost to Kennedy, when he surrendered the presidency, when his life was threatened by mobs and diseases, when his wife died of a lingering and horrible illness, when he was paralyzed by his final stroke.

Nixon saw the world as a place where efficient and responsible leaders, people much like himself, confer and achieve workable results. He liked to travel and see these leaders. He wrote a lot about what they had to say and what he said back. He could be embarrassingly awkward and phony when he was forced to discuss anything else. His discussions of world affairs were curiously intense and vital, even when it appeared, as it frequently did, that he had traveled as far as Moscow only to retrieve a string of trite observations.

A complicated, highly emotional man, Nixon learned to endure ferocious, unremitting, and sometimes well-merited enmity, retaining for himself, all the while, the true inwardness of the *National Geographic* — a mental landscape in which sagacious explorers count their losses, estimate their reserves, and keep going until they've been in all the places that are supposed to be important.

—SC

# Reviews

*Tribes: How Race, Religion, and Family Determine Success in the New Global Economy*, by Joel Kotkin. Random House, 1992, 343 pp., \$24.00.

## Tribal Man

Leon T. Hadar

The political elites who inhabit the Washington-Boston corridor — referred to sometimes as the “American foreign policy establishment” — experienced a collective intellectual orgasm midway through 1993. That summer, renowned political scientist and veteran cold warrior Samuel Huntington announced that the defunct ideological struggle between Communism and the West was to be replaced by a “clash of civilizations.”

For the benefit of readers who didn't have to suffer through Huntington's political-science mumbo-jumbo to earn a doctoral degree: “Sam” (as he is known to “Henry” and “Zbig” and other foreign policy luminaries) is best known for his prediction, back in the 1970s, that capitalism and Communism would “converge” into a “third” political-economic system that would permit ruling elites in Moscow and Washington to merge their political and economic powers, controlling the international system and beyond in a grand universal condominium.

Thankfully, the East-West rivalry that provided propagandists like Huntington with so many jobs, consulting contracts, television appearances, and op-ed pieces has ended, though not exactly according to his scenario. And, a little bit older but not much wiser, Huntington (who increasingly resem-

bles the title character of *Dr Strangelove*) last year told the readers of *Foreign Affairs* that “the fundamental source of conflict in this new world will not be primarily ideological or primarily economic.” The great global divisions and “dominating source of conflict,” he prophesied, will be “cultural.”

He goes on to present the outlines of his Cultural Manifesto: “Nation-states will remain the most powerful actors in world affairs, but the principal conflicts of global politics will occur between nations and groups of different civilizations. The clash of civilizations will dominate global politics. The fault lines between civilizations will be the battle lines of the future.” And in that context, with the end of the Cold War, “international politics moves out of its Western phase, and its centerpiece becomes the interaction between the West and non-Western civilizations.” Specifically, a great struggle would take place between Western civilization, led by the United States, and a coalition of Muslim fundamentalist states and “Confucian” east Asian lands.

In short, Huntington's science-fiction scenario squeezes a couple dozen inchoate international developments into one neat theoretical framework (paradigm, if you insist). Published immediately after the bombing of the World Trade Center, allegedly committed by Muslim terrorists, and against the backdrop of trade tensions with Tokyo, human rights violations in China,

and an international increase in ethnic violence, his article captured the imaginations of State Department officials, CIA operators, and foreign policy think-tankers.

Huntington's vision of clashing civilizations is supposed to become the new Grand Theory of international relations, substituting the Islamic Green Threat and the familiar Yellow Peril for the obsolete Red Menace. The last much-celebrated post-Berlin-Wall Grand Theory, Francis Fukuyama's “end of history,” had collapsed somewhere on the way from Berlin and Baghdad to Sarajevo and Mogadishu. (Remember? We were supposed to live under the “unipolar” military protection of the only-remaining-superpower, in a universal welfare state, strolling in our global shopping mall, watching Madonna on MTV, reading *Commentary* and other neocon magazines until we were bored to death.)

From that TR-Hearst coproduction, the Spanish-American War, to the Bush-CNN coproduction, Operation Desert Storm, foreign policy Grand

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*Huntington is best known for his prediction, back in the 1970s, that capitalism and Communism would “converge” into a “third” political-economic system.*

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Theories have provided rationales for expanding the military-industrial complex and its propaganda machine, in the same way domestic policy Grand Theories have strengthened the ideological and institutional foundations of the welfare state. But the disappearance of the Red Menace has made it harder for the Pentagon, CIA, NATO, AID, VOA, NSA, etc. to justify their existence, let alone demand the huge

budgets they are accustomed to. At the same time, Western leaders have felt a certain weakening of their power as mythical figures (the "leaders" helping to "defend" the "free world" against outside "dangers"), if not their basic political legitimacy. And Western welfare states have become costlier and costlier to maintain.

If the state is no longer needed to contain external threats, and finds it difficult to continue dispensing economic and social goodies to its citizens, then statism is in trouble. It is not surprising, therefore, that challenges to traditional political institutions have gained so much momentum since the fall of the

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*Beware, "Sam." Your intellectual adversary has arrived — a libertarian Democrat named Joel Kotkin.*

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Berlin Wall. ("The Cold War: We really miss you so much," could easily become the anthem of the Liberal Democrats in Japan, the Christian Democrats in Italy, the Progressive Conservatives in Canada, and both major parties in the United States).

*Voilà* — the clash of civilizations comes to the rescue. Huntington's model provides the military-industrial complex and its satellites — and, by extension, Political Man — with a new lease on life. Middle Eastern bogeymen armed with nuclear bombs, intent on launching a global *intifada* against Western civilization — the vision is enough to justify new budgets for the Pentagon and the CIA, new reasons to intervene in the Middle East, new bombing missions over Baghdad and Teheran. Meanwhile, the Confucian threat provides adequate window-dressing for new tariffs on Japanese exports, ostensibly to protect the American "public" (read: Chrysler and Motorola). And, of course, we shouldn't forget those brown Latinos across the border, threatening to invade California with their garbage collectors, janitors, nannies, and high-tech Mexican products.

Who will defend the West against the onslaught of the Muslim, Oriental, and Latin tribes? Who will stop the bar-

barians at the gate? The state! Long live the state! There is life after the Cold War, after all.

So — are race, culture, religion, and ethnicity the last refuges of Political Man? Not necessarily. Beware, "Sam." Your intellectual adversary has arrived — a pop economist, journalist, and (rarity of rarities) libertarian Democrat named Joel Kotkin.

### Tribe-Happy

Do you associate tribalism with the bloodshed in Bosnia, the West Bank, Kashmir, and the Long Island Railway? Do images of Louis Farrakhan, Rabbi Kahane, and that blind Egyptian sheik with the Stevie Wonder glasses give you the creeps? Never fear, says Kotkin in his most recent book, *Tribes*. Tribalism is a foundation of the global village — like CNN, the Internet, and the New York Stock Exchange. Big, strong, powerful tribes are making our world increasingly interdependent. They are facilitating the *dissolution* of national borders.

Yes: culture is "in." On this point the elderly statesman from Cambridge and the hip, middle-aged free-marketeer from L.A. agree. "Born amidst optimism for the triumph of a rational and universal world order, the twentieth century is ending with an increased interest in the power of race, ethnicity, and religion rather than the long-predicted universal age of the end of history," writes Kotkin. "The quest for the memory and spirit of the specific ethnic past has once again been renewed," and "the results will shape the coming century."

Kotkin, Huntington, and Fukuyama all agree that the collapse of the socialist model renders much of the old debate over rival economic systems moot. Fukuyama, the Japanese-American State Department *apparatchik*, believes that this collapse means victory for Neocon Man: Political and Economic Man synthesized, reigning over a reformed and militarized welfare state. Ethnicity, culture, race, and religion will be mere minor extras in this Podhoretz-produced motion picture; they will cause a few problems here and there, but nothing dramatic.

By contrast, Huntington and Kotkin believe that tribalism will play a central role in the global drama. Huntington

sees it as the new foundation of the nation-state and a source of growing military conflict. Kotkin, on the other hand, suggests that with the end of the Cold War, the "fading of military force as the prime element in determining economic position naturally reduces the power of nation-state structure that long has served as the essential counterweight to globalism." The Prince is dead; military power is *passé*; the market has won.

And in that context, the rising tribes, particularly the five discussed in this book — the Jews, the British (yes, the British), the Japanese, the Chinese, and the Indians — are not going to be a source of global military conflict. They will be the basis for an open, global market linking the business centers of Tokyo, Hong Kong, New York, Tel Aviv, and New Delhi. "These global tribes are today's quintessential cosmopolitans, in sharp contrast to narrow provincials," Kotkin contends. "The end of the Cold War opened a new era of opportunity for the cosmopolitanism embodied by these global tribes."

What do the tribes have going for them? First, their strong identity, reflected by each one's sense of "mutual dependence and emphasis on the family structure." Second, "a global network based on 'tribal trust' that allows the group to function collectively." Third, a passion for technology and knowledge and a belief in scientific progress. All this, says Kotkin, leads to

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*The rising tribes will be the basis for an open, global market linking the business centers of Tokyo, Hong Kong, New York, Tel Aviv, and New Delhi.*

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a new, peaceful, and harmonious global economy, rekindling the cosmopolitan spirit of old Beirut, Alexandria, and Shanghai.

"As the conventional barriers of nation-states and regions become less meaningful under the weight of global economic forces, it is likely such dispersed peoples — and their worldwide

business and cultural networks — will increasingly shape the economic destiny of mankind," suggests Kotkin. "In the post-Cold War era, where ideology has faded and peoples seek definition from the collective past, dispersed groups such as global tribes seem particularly well adapted to succeed within today's progressively more integrated world-wide economic system."

The interconnectedness of the new global tribes is accelerated by advances in communication and transportation technologies, allowing them to maintain regular and intimate contact with their homeland and with other tribal colonies. The emergence of global labor markets also helps. "In a manner far beyond anything that could have been imagined by the Jewish traders or Yankee merchants of the nineteenth century, the world has become a single market for labor and talent, a market perfectly suited for the development of new global tribes," Kotkin writes.

So if Huntington gave you nightmares of the death of the United Federation of Planets, wiped out after a great battle between the Earth-based "West" and the remnants of the Muslim-Confucian Empire on Mars, do not fear. In Kotkin's script, Starship Enterprise is peacefully navigated by the Second Generation of the Elders of Zion, the Chinese Mafia, computer whiz-kids from the Indian subcontinent, and rug merchants from Teheran.

**Patchy Theses**

In some ways, *Tribes* has the flavor of a *Time* cover story, with those famous sweeping generalizations ("Lying Is in Again") and the constant effort to find some cosmic meaning in such phenomena as Chelsea's new bracelets. Do not search this book for the scholarly insights, theoretical consistency, historical framework, or information and statistics you could find in, say, Thomas Sowell's *The Economics and Politics of Race: An International Perspective*.

Kotkin uses mostly anecdotal evidence to bombard us with such grandiose and somewhat shallow observations as, "In the twenty-first century, we are likely to see the development of this multiracial world order running along British-American tracks of market capitalism, political pluralism, and cultural diversity." This and similar

generalizations, decorated again and again with those same annoying and often meaningless terms — "cosmopolitan," "the world economy," "the global village" — remind me of what someone said about former Israeli Foreign Minister Abba Eban's long and flowery speeches: "They sound great, but I'm not sure that I get the point."

*Tribes* does reflect some elements of the current *Zeitgeist*, and does force the reader to think about some important issues. Certainly, Kotkin's analysis is a

powerful antidote to Huntington's clashing civilizations. Libertarians can only hope that Kotkin's counter-vision of culture as a basis for a post-Cold War, post-nation-state world with a free flow of information, capital, and people is indeed viable. Unfortunately, while I share Kotkin's hopes about the future (how things should be), I find a lot of wishful thinking and inconsistencies in his analysis (how things are). Kotkin's position, I argue, is the theoretical mirror-image of Huntington's.

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Man is identified with Cultural Man as a way of explaining the present and predicting the future. Such noncultural political factors as the interests of political elites and ruling classes or the interest of the state itself as a political entity do not matter in his scheme of things. His explanatory framework cannot integrate such developments as Iran's Islamic regime's support for those darlings of the West, the Christian Ar-

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*Second- and third-generation Jewish and Chinese immigrants do not remain in the cultural ghetto of Brooklyn or Chinatown.*

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menians, in their conflict with the Muslim Azeris. (The incongruity stems from the regional-strategic conflict between Iran and Turkey, which backs the Azeris.)

At the same time, Huntington's vision has no room at all for Economic Man. Responding to Huntington's article, a Chinese scholar noted that the only religion being practiced in China today is not Confucianism but money-making. Huntington ignores the potential integration of China into the world economy, and the ways such a change could affect that society's power structure and traditional institutions. For Huntington, China's present spate of economic reforms is only a means for accumulating wealth — wealth to be translated into military and diplomatic power against the West.

In Kotkin's analysis, on the other hand, it is the anti-libertarian, political components of the tribe that are dis-

counted. Economic Man and Cultural Man are one; Political Man becomes some kind of Cold War-era anachronism. Greater China — the People's Republic of China, Taiwan, Hong Kong, Singapore, and the Chinese diaspora — is portrayed as the emerging productive center of the twenty-first-century global economy.

But a post-Communist Greater China is less likely to be a giant Hong Kong, and more likely to be a huge Singapore — an authoritarian regime that suppresses the rights of its citizens in return for providing them with a high standard of living through an efficient mercantilistic state. Lee Kuan Yew, the father of modern Singapore and its current "senior minister" — and a fan of the culture paradigm — contends that East Asia will flourish while the West declines, on the grounds that Asia's cultural traits (strong family values, tradition, communitarianism) are superior to the West's obsession with individual rights.

But Lee fails to understand the effect the marriage of Western technological and economic models, which today means the adoption of decentralized information technology systems, is bound to have on the communitarian bonds of Asia's tribes. It will "detritalize" them, if you will. If Asia's tribes invite the Western Economic Man into their homes, they should expect to receive not only useful supercomputers, but also CNN, MTV, and all the political agitation and kinky sex on the Internet's newsgroups. The result will be a new challenge to Greater China's patriarchal authorities. There will be more dissent, more Tiananmen Squares, and more threats, not just to political authoritarianism, but to traditional communal ties as well.

### **Tribal Survival**

That brings me to the biggest problem with Kotkin's analysis. Kotkin focuses almost exclusively on the tribe as social-economic entity, symbolized by a Korean-owned fruit stand. But the tribe is a more complex creature than that. It is a package deal, in which the individual becomes an integral part of a very exclusive club.

Being part of this or that Chosen People, with its strict set of rules and laws, historical fantasies, and holy my-

thology, entitles you to certain rights and privileges — the warmth of community, a sense of belonging, strong bonds with other members of the tribe. But the costs of the arrangement are also obvious. The tribalist makes a personal commitment to higher cultural authorities, including a willingness to sacrifice some of his or her freedom. And then there is the flipside of loving the members of your tribe: hating the members of other tribes.

Kotkin suggests that, in the context of a liberal society, some tribes have been able to take advantage of economic opportunities better than others have. Their strong family structures and traditional values helped contain the pressures of the destructive forces of capitalism, while at the same time their orientation toward knowledge and their dispersion around the globe permitted them to engage more effectively in investment and trade.

I don't have any problem with that modest proposition. But attached as he is to his Economic Man lenses, Kotkin misses two important points.

First of all, while the traits of Kotkin's tribes help them integrate success-

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*In the post-Cold War world, tribalism is probably the most potent tool Political Man has at his disposal to maintain his power.*

---

fully into Western, liberal systems, their own success breeds their long-term destruction. Second- and third-generation Jewish and Chinese immigrants do not remain in the cultural ghetto of Brooklyn or Chinatown. Cultural assimilation may not act as the ideal melting pot — some ethnic and religious components *are* preserved, in some form or another — but it does weaken the tribe's control over the individual. New ideas and ways of thinking, physical mobility, and intermarriage detract from the successful tribe.

Recall the fate of the German tribe in the United States. Can anyone identify a famous contemporary "German-American"?

In the most problematic part of his

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"This question has been bugging me since 1991. In 1993, I bought your *Essence of Political Persuasion* tapes. Within 14 days, the people I talked with started asking me to tell them more about libertarianism, agreeing with me more often and treating me nicer. I got compliments!

"Okay, to my face, people seemed to react dramatically better when I used your Political Persuasion formats and approaches. But what were they really saying behind my back?"

"I decided to put your tapes to the test. I and two libertarian friends (one woman and one man) started regularly attending libertarian events, meetings and speeches. We also went to "mixed" parties (Parties that had libertarians and non-libertarians). We'd split up, and eavesdrop (Yeah, spy!) on conversations. We were listening for libertarians who were presenting libertarianism or arguing it. We just listened and waited until the libertarian left the group. Then we naively asked the non-libertarians what they thought of the ideas and how they felt about the libertarian who just left.

"Then we did the same thing with me using your *Essence of Political Persuasion* and one of my friends standing quietly by during my comments and discussion. I'd excuse myself. Then, after I left, my friend would innocently ask what the non-libertarian listeners thought of my ideas and how they felt toward me.

"We did this **Behind-The-Back Test** at 41 different gatherings, with 74 different (unsuspecting) libertarians (including 6 nationally known libertarians) in 138 different conversations. We did the **Behind-The-Back Test** with me using your Persuasion methods at the same 41 gatherings, in 87 different conversations.

"I mainly used your 'Political Cross-Dressing', 'Intellectual Judo', 'Rapport Recipes' and 'Words Are Weapons, Words Are Tools'.

"Michael, although I had 51 fewer conversations than my fellow libertarians (87 vs 138), your *Essence of Political Persuasion* got me 14 TIMES AS MANY POSITIVE REACTIONS TO OUR LIBERTARIAN POSITIONS and 27 TIMES AS MANY FAVORABLE FEELINGS TOWARD ME.

"Imagine convincing 14 times as many people about libertarianism and having 27 times as many people really like you.

"Michael, I tested it. I proved it. I did it. If it works for me, it'll work for every other libertarian.

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Name Withheld, Los Angeles, CA

## Divorced Mother Gets Job

"Dear Michael,

"...although I have been a home-maker for the last eight years, my divorce made it necessary for me to go back to work. Whenever I felt like 'Why Me?' or 'It isn't fair!', I'd listen to your Self-Responsibility tape, and start making choices and taking action.

"I used your rapport techniques, 'Intellectual Judo' and 'Isolate the Concern' to get a job selling Toyotas. (I have never sold anything, anywhere to anyone 'til now.)

"My first month, I earned \$1,700. Then I started listening to your Persuasion tapes during my drive to work and on the way home for 6 solid weeks.

"Michael, my second month, I earned \$4,300. I earned \$5,800 my third month - and won the Salesperson of the Month award for my dealership.

"Your *Essence of Political Persuasion* training tapes helped me regain my self-esteem, earn a good income and support my son and daughter.

"Michael, you saved my life."

M.B., Miami, FL

## Shy Libertarian Gives Speeches

"Dear Michael,

"I used to be the shy guy who quietly sat through libertarian meetings. Since I started using your Persuasion Tapes, my communication skills and self-confidence have skyrocketed. I joined Toastmasters, and practiced 'Political Cross-Dressing' and 'Reverse Macho Flashing' from your *Essence of Political Persuasion* on them.

"Now I'm giving libertarian speeches to Service Clubs in my town.

"I used to be Clark Kent. Now I'm faster than Brady Bill bullets, more powerful than an Amtrack locomotive, and able to leap IRS buildings at a single bound."

C.N., San Antonio, TX

## 1-900 Libertarian Phone Sex?

"Dear Michael,

"The libertarian movement is like 1-900 phone sex. We spend hours talking with people about all the amazing things we're going to do, what it's going to be like and how good it'll feel. We spend hours Liber-teasing each other until we get our fantasy release.

"I'm married. My wife and I have a young daughter. Being a good husband and a good daddy to our little girl takes commitment and work. But I wouldn't trade one minute of my marriage or my family life for any amount of phone fantasy talk.

"I want real individual freedom in my life time. Your *Essence of Political Persuasion* audio tapes have given me the skills and confidence to bring more

people into the libertarian movement and get them active.

"I'm fed up with liber-fantasy. I want liber-reality. We can't lose with the stuff you use. Your Persuasion tapes are the shortest distance between 2 minds."

C.M., Portland, OR

## Captain Convinces Commander

"Dear Michael,

"The other night, at a social event, I got into a conversation with fellow officers over foreign policy. My Commanding Officer overheard our discussion and joined in.

"I used your 'Welfare Pigeons' and other Self-Responsibility ideas, 'Political Cross-Dressing', and turned your 'Welfare Junkies' Metaphor into a 'Warfare Junkies' Metaphor. We talked for a couple of hours.

"A few weeks later, I ran into my Commanding Officer at another gathering. He waved me over to his table and introduced me to his guests as the man who had convinced him that Europe should pay for its own defense. He then repeated my persuasive case for his guests. We had an interesting, thoughtful discussion.

"By using your persuasion methods, I was able to change the mind of a man in a position of authority. Please tell your readers that they can change the minds of leaders, centers of influence, professionals, bosses and others in positions of authority. All they need is your Persuasion Tapes and a little practice."

Captain stationed in Germany

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book, Kotkin devotes a chapter to the ascendancy of what he calls the "British tribe." "Originating on a small and relatively infertile island in antiquity's northwest fringe, the British and their empire molded the pattern of modern technological development and commerce far more than any of their European rivals," he writes.

The British tribe? What's next — the American diaspora? I fail to see how Kotkin can characterize the process of settlement, colonization, and empire-building that led to the creation of new nations, the spread of liberal political and economic ideas, and the worldwide diffusion of English language and culture as a chapter in the history of a "tribe." If anything, the ascendancy of Anglo-American culture and the expansion of the capitalist trade system provided an *alternative* to the traditional tribe — and forced it, in the short and medium run, to adapt or die.

Which leads us to the other point Kotkin misses. The only way for a tribe to neutralize the process of integration and assimilation is to *politicize*. Political entrepreneurs, looking for new sources of power, try to build a tribal political umbrella. This can take different forms: Black and Hispanic "leaders" propagating "multiculturalism" in the United States; Serbian and Croatian patriots pursuing "ethnic cleansing" in the former Yugoslavia; nationalists around the globe founding political homelands for their peoples. (Not surprisingly, these tribal nation-states usually emerge as model economic nationalist experiments, from Israeli socialism to the Japanese corporate state.)

## The Tribal Tool

In the post-Cold War world, tribalism is probably the most potent tool Political Man has at his disposal to maintain his power. This tribalism is not a search for cultural autonomy in Kotkin's "global economy." We are not talking here about Serbs angry at the suppression of their culture by Bosnian Muslims, Hindus hoping to preserve their cultural heritage, Jews meeting to pray in the morning in a synagogue on Wall Street, or Chinese scientists exchanging fortune cookies in a restaurant in Silicon Valley. In a world

dominated by nation-states and welfare states, "tribalism" is by definition political. The nationalist seeks either to extract from the central government support for his tribe, or else to form a new, economically interventionist state and go to war against the Other.

Yet Kotkin seems to *celebrate* this process of tribalization. He praises the multiculturalism craze, including the "African-American drive for self-realization" and the "new assertiveness of blacks" — which, he argues, is a productive cultural process that will lead to the "de-WASPing of America" and the economic empowerment of racial minorities.

Sure, as a libertarian and a non-WASP immigrant to this country, I support open and free immigration to the United States — *not* the current "subsidized immigration" — and would not shed a tear if the majority of Americans didn't look or talk like George Bush. Miami's flavor of a Central American trading center doesn't bother me, and if members of a particular group would like to finance with their own private resources ethnic or religious education for their children, that's fine with me too. (Just don't ask me later on to pay welfare for kids who, despite their fluency in Swahili, still can't find a job.)

But that is not the issue here. If Kotkin's "workable cosmopolis" means the addition of hundreds more tribal-based nation-states with their bloody warlords and little dictators, multiculturalism in the modern American context means transformation of our system from one based on individual rights to one based on group rights. It means turning Kotkin's city of residence, Los Angeles, into a West Coast version of contemporary Beirut, Sarajevo, or Hebron.

In his concluding chapter, Kotkin criticizes people who adhere to the "rational utopias" of Adam Smith, that famous white male member of the British tribe (Scottish clan) — people who believe that tribalism "may well seem a regression back to the instinctual, a celebration of the peculiarities and even the irrationality of our species." That is exactly what I believe, and Kotkin's book has failed to change my mind.

Nice try, though. □

*On the Edge of Anarchy: Locke, Consent, and the Limits of Society*, by A. John Simmons. Princeton University Press, 1993, \$35.00.

## Over the Edge?

F.H. Buckley

Two kinds of anarchism may be distinguished. For the *political anarchist*, all forms of government unjustly fetter human choice, and every loyalty requirement is excessive. This is the anarchism of those hostile to any political structure. The weakness of political anarchism is its unwillingness to make a principled distinction between unjust states and normal, muddled Western states. Surely, we should want to say, it is all a matter of degree. Even as Nazi Germany should be resisted, a more just government might command allegiance.

For allegiance to be owed, however, a link must be demonstrated between subject and state. Bosnia might be a wholly just state, but I still do not owe it allegiance. What is needed, then, is a connecting factor joining subject to sovereign. The *jurisdictional anarchist* denies that any such connecting factor can ever be found. Because of this, loyalty requirements never arise.

The second kind of anarchism is of closer concern to John Locke, and to A. John Simmons, whose *On the Edge of Anarchy* is the best analysis of Locke's theory of political obligation. Simmons is the chairman of the philosophy department at the University of Virginia, and the author of *Moral Principles and Political Obligations* (1979), still the finest introduction to problems of political obligation and jurisdictional anarchism. *On the Edge of Anarchy* is a companion to Simmons' *The Lockean Theory of Rights* (1992), an excellent introduction to Locke's doctrine of natural rights.

Locke's project in the *Second Treatise on Civil Government* was to justify allegiance to a modern, liberal state. Loyalty requirements are not owed to

absolutist states; there, Locke sides with the political anarchist. Such states excessively infringe natural rights, and cannot command allegiance. Where the state is less intrusive, however, both political and jurisdictional anarchism must be rejected. Locke's practical political agenda was to justify the move from James II to William and Mary, not to advocate radical republicanism.

To succeed, then, Locke had to show that his liberal state is just, and that Englishmen owe it allegiance. To show that a liberal state is just, Locke

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*The assumption that fee-simple land ownership implies political consent seems difficult to reconcile with Locke's account of a natural right to property.*

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argued that (1) life in civil society is more pleasant than life in an anarchist state of nature, and (2) the move to civil society (in the form of his liberal state) does not infringe natural rights to person or property. To show that Englishmen owe allegiance to their particular liberal state, Locke invoked the doctrines of express and tacit consent. A subject binds himself expressly to a liberal state by swearing an oath of allegiance or by owning property in it — at least under fee-simple property regimes where the residual interest vests in the Crown. A subject binds himself tacitly to a liberal state by almost any act within it — for example, by traveling on a public highway.

There are several problems with Locke's contractarian defense of politi-

cal obligation. The assumption that fee-simple land ownership implies political consent, which might come easily to a common lawyer, seems difficult to reconcile with Locke's account of a natural right to property. Indeed, the fee-simple case for political obligation was explicitly made by Sir John Filmer, Locke's royalist opponent, whose patriarchal account of political obligation was attacked in Locke's *First Treatise*. And what is more artificial than tacit consent, effectively ridiculed by David Hume? How can consent provide the connecting factor between subject and state when everyone necessarily consents? From fictitious consent comes fictitious allegiance.

Given the problems with contractarianism, Hannah Pitkin has argued for a non-contractarian reading of the *Second Treatise* (see "Obligation and Consent," *American Political Science Review*, December 1965 and March 1966). Surely, she argues, Locke must have realized the problems with consent-based theories. If consent does not work, then, the move to civil society is most plausibly justified on utilitarian grounds, with loyalty requirements resting not on the obligation to perform one's promises but on the duty to support just institutions.

Simmons effectively criticizes this interpretation of the *Second Treatise*. Locke's frequent references to actual consent suggest that he had something other than a fictitious, hypothetical consent in mind. But if consent, express or tacit, requires a deliberate choice made without compulsion, how can contractarianism survive Hume's criticism? How could a poor peasant, Hume asked, be said to choose to reside where he does, when he has not the means or even the right to emigrate?

While not denying these difficulties, Simmons argues that consent supplies the most plausible justification of political allegiance. If people cannot easily be said to consent to political authority, then so much the worse for political authority. The Locke Simmons defends thus falls over the edge of anarchy. "Serious political voluntarism commits us to the acceptance of philosophical anarchism. Since Lockean political philosophy is essentially voluntarist, . . . this

means that Lockean must also accept philosophical anarchism" (p. 260).

Simmons concludes, therefore, that states lack the authority to prohibit harmless conduct, require military service, tax, and expropriate. The jurisdictional anarchism he defends is relatively mild, however, for his states still have the authority to punish common criminals. Even in matters of taxation and expropriation, residents must weigh the costs and benefits of resistance from a moral perspective. If the government is a good one, the resident is normally bound to support it by complying with its laws.

Libertarians will be pleased with Simmons' positive program, to the extent that he has one. Since they meas-

ure existing societies against a voluntarist ideal, Simmons' anarchists will press for changes to political arrangements that expand choices. Though Simmons does not describe what his "expanded membership options" would look like, presumably he would support secession rights, federalism, and the right to opt out of compulsory state public benefit plans.

The test of good philosophy is quite simple: *How difficult are the problems it tackles?*, and *How much of a burden does it place on the reader?* By that standard, I can think of few political philosophers I prefer to John Simmons. He is a clear and very analytical writer. The professional philosopher may read him with profit, and the layman with ease. □

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### Special report from the First International Libertarian Film Festival.

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# Oscar Shrugged

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Mark Skousen

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GALT'S GULCH, COLORADO — What better location for the first libertarian film festival than *Atlas Shrugged's* Atlantis, the hidden valley high in the Rockies to which the world's most productive individualists repaired when they went on strike?

Ragnar Danneskjold, the philosopher turned pirate, was the first to suggest the idea. "Gentlemen, we've been stuck here in this boring place for over 30 years, and the world still hasn't begged us to return." He closed the book he was reading, *How I Found Freedom in an Unfree World*, and stood up. "Fellow libertarians, or classical liberals, or Objectivists, or whatever we are, I'm sick and tired of sitting around reading philosophic tomes and self-help manuals. Let's have a film festival! Every night we'll see a different picture."

Francisco d'Anconia, the industrialist turned playboy turned revolutionist, seconded the motion. "Great idea, Rag! If I hear one more note from Richard

Halley's Fifth Concerto . . ."

It was the first time in years that everyone had agreed on anything. John Galt, puffing madly on a gold cigarette, insisted that each film be strictly benevolent and life-affirming in nature. "Our standards must be objective!" he shouted. "A is A!"

Word quickly spread, and Galt's band of industrialists, scientists, doctors, and philosophers met at Midas Mulligan's private theater the next evening. His library consisted of several thousand films, most of them pirated by Ragnar Danneskjold. The theater was a cozy little screening room that held approximately 50 guests. Surrounding the theater were photographs and posters of famous stars, including Gary Cooper, John Wayne, Clint Eastwood, and Farrah Fawcett (signed "Please, Ayn, let me play Dagny").

By 7:00, the place was packed. Luminaries included industrialist Hank Rearden, oil magnate Ellis Wyatt, composer Richard Halley, movie actress Kay Ludlow, and Dr Thomas Hendricks. The last to appear was Dagny Taggart, escorted by John Galt. She was

still in an arm sling, recovering from another airplane accident. "I'm completely helpless without you, John," she whispered, staring dreamily into his blue eyes. "I'll pretend you never said that," Galt responded, blowing smoke in her face.

Ragnar Danneskjold started things off. To qualify as a libertarian film, he said, a movie should offer protagonists who are rugged individualists and non-conformists, questioning the rules of society. They must be independent thinkers who unabashedly support their own self-interest and are reluctant to meddle in the affairs of others. Naturally, they will be skeptical of organized religion. Libertarian heroes should be uncompromising defenders of laissez-faire capitalism. They should champion the right to pursue the creation of wealth without guilt. Finally, they must oppose state power in all its forms, including the evils and injustices of war.

"Given these qualities, it may not surprise you to learn that most libertarian films have unhappy endings," he warned the audience.

"Isn't that a contradiction?" asked Rearden. "Don't we believe in a benevolent, life-affirming universe?" The others remained silent.

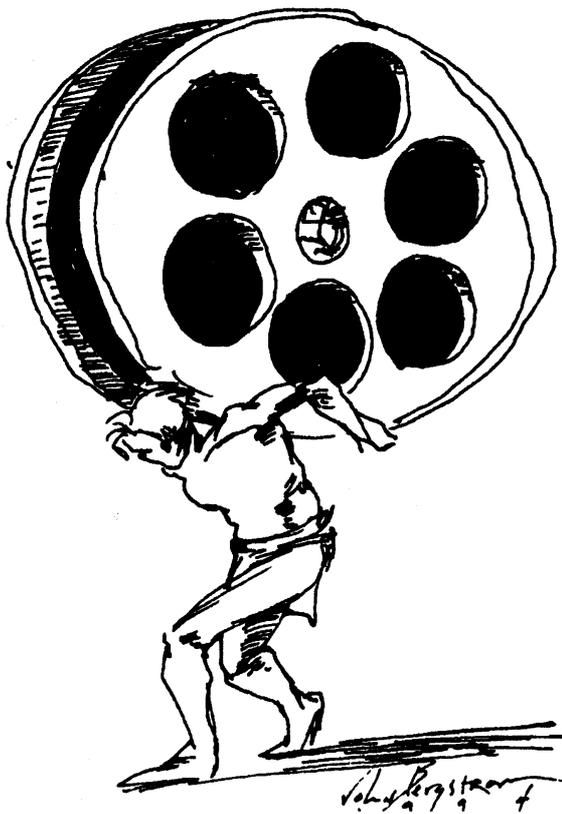
Ragnar announced that he had uncovered a dozen films in the Atlantis library that in his judgment contained libertarian themes. A film was shown each night, followed by discussion and sometimes heated debate.

**First Night: *Shenandoah* (1965), 105 min., color. Directed by Andrew V. McLaglen. Starring Jimmy Stewart, Doug McClure, Katharine Ross, Patrick Wayne, and George Kennedy.**

"This is a superb film that contains all the libertarian themes," asserted Ragnar.

*The storyline: The Andersons are hard-working, honest, independent farmers minding their own business, when the Civil War breaks out. The father (Jimmy Stewart) is a widower who honors his wife's last request to attend church every Sunday and to say grace at dinner every night. While Anderson is skeptical of religion, he believes in honoring a contract, whether verbal or written. His libertarian prayer is a classic:*

*"Lord, we cleared this land, we plowed it, sowed and harvested it, and we cooked the harvest; it wouldn't be here and we wouldn't be eating it if we hadn't done it ourselves. We worked dog-bone hard for every crumb and morsel, but we thank the Lord just the same for the food we're about to eat. Amen."*



*This prayer is repeated at the end of the movie, but it seems rather hollow after the Andersons have suffered the pains of war.*

*The Andersons are anti-war, anti-draft, and anti-state. They are Virginians, so they won't support the North, yet they don't own slaves, so they refuse to fight for the South. They don't believe in the draft, although they are free to volunteer: "My sons don't belong to the state." They don't believe in the government: "We never asked anything of the state, and we don't figure we owe anything to it either." They are anti-war: "Like all wars, the undertakers are winning it. The politicians talk about the glory of it, the old men will talk about the need of it. . . . The soldiers, they just want to go home." They are isolationists:*

*"They're on our land?" asks Mr Anderson.*

*"No," responds a visiting Confederate officer.*

*"Then it doesn't concern us."*

*"When are you going to take this war seriously?"*

*"This war is not mine."*

The audience greeted this dialogue with thunderous applause. "Bravo!" shouted Hank Rearden.

*When Federal agents come on the Andersons' property to confiscate their horses, using authority granted by an Act of Congress, one of the Anderson boys asks his dad, "What does confiscation mean, Pa?" He answers, "Stealing." The Andersons refuse to turn over the horses and a fight ensues. The federal agents are driven off. Eventually, the Andersons feel obligated to enter the war when the youngest son is taken prisoner by the Northerners. At the end of the film, they get a taste of the horrors of war. Two sons are killed and a daughter-in-law is brutally assaulted.*

"In short," Ragnar summarized at the end, "it is nearly impossible to escape the evils of war, even if you try to mind your own business."

No one could argue with that, and the film festival adjourned with everyone giving *Shenandoah* five stars.

**Second Night: *The Americanization of Emily* (1964), 117 min., black & white. Directed by Arthur Hiller. Starring James Garner, Julie Andrews, James Coburn, and**

**Melvyn Douglas. Screenplay by Paddy Chayefsky.**

The second film was more controversial.

"This is the best anti-war movie ever made," proclaimed Richard Halley.

"How can you consider cowardice a moral imperative?" Again, it was Rearden who spoke.

*At issue was the personal philosophy of Charlie Madison (James Garner). The story is about "dog-robbers," personal valets to American generals and admirals, in Britain during World War II. The plot focuses on the relationship between American Commander Madison, personal assistant to Admiral Jessup, and Emily, a British Navy staff member. Madison is a promiscuous opportunist who has no interest in the war and is, in fact, a complete cynic. Emily (Julie Andrews), on the other hand, represents the traditional view — that the Allies are fight-*

ing an honorable and virtuous war against the evil Axis and that all good citizens and soldiers must be willing to sacrifice for the good of the war. When Charlie offers Emily some Hershey candy bars (unavailable to the general public), she refuses. When he makes advances, she slaps him. "I think it's profane to enjoy this war," she tells Charlie. She notes that Charlie does whatever is necessary, including bribery, to get his way or

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*"I'm sick of sitting around reading philosophic tomes and self-help manuals. Let's have a film festival!"*

---

provide black-market goods (filet mignon) and services (prostitution) for his admiral. "You're a complete rascal," she says. In response, Charlie calls Emily a "prig."

"This film reminded me of the book, *Overpaid, Oversexed, and Over Here*," commented Rearden. "It's a book about American GIs in World War II Britain. I'd hardly call them heroes. Does Charlie Madison have any scruples, any admirable qualities?"

"Yes, I'll defend him," Richard Halley said. "Charlie Madison is to be honored for his eloquent condemnation of war, the stupidity of war. Besides, I like the music."

In response to Emily's self-righteous stance, Madison states, "I've had Germans and Italians tell me how politically ingenuous we are, but we haven't managed a Hitler or Mussolini yet. This war . . . is the result of 2,000 years of European greed, barbarism, superstition, and stupidity. Don't blame it on our Coca-Cola bottles." In a conversation with Emily's mother, he declares, "I'm not sentimental about war. I see nothing noble in widows."

"What are your religious views?" Emily's mother asks.

"I'm a practicing coward."

Madison condemns war. "We must resist honoring the institution of war. . . . We must condemn the traditional heroism of self-sacrificing soldiers." Rather, Madison elevates selfishness and self-preservation as supreme virtues. "It's not greed and ambition that makes wars, it's goodness. . . . As long as valor remains a virtue, we shall have soldiers." Later he

proclaims the value of an amoral lifestyle: "Life isn't good or bad or true, it's merely factual. It's sensual, it's alive. . . . I want to know what I am, not what I should be." As he leaves Emily, he tells her that he wants to be remembered as one "unregenerately eating a Hershey bar."

Most of the audience roared with approval. Dagny stood up in the darkened room, and it was her lips that said, "He is the ideal man!" John Galt remained silent.

In the end, Emily is "Americanized." She adopts his philosophy regarding war. She goes to bed with him. Speaking fondly of Charlie's memory, she says, "We no longer take pride in death in this house. What was admirable about Charlie was his sensation of life, his cowardly, selfish, greedy appreciation of life."

As the applause died down, Rearden took exception to Charlie Madison's character. "Despite Madison's eloquent condemnation of war, what about Charlie himself? Is his denunciation of war simply a justification of his cowardice? The Andersons in *Shenandoah* were never chicken. They were willing to fight for what they believed in. Moreover, when he miraculously survives Normandy, will Madison be faithful to his bride? Or will he remain a wheeler-dealer in civilian life? Libertarianism must not be equated with a libertine lifestyle! Liberty does not mean license! Charlie Madison is not my kind of hero."

But even as Rearden spoke, the audience was giving *The Americanization of Emily* a standing ovation.

**Third Night: *Hombre* (1967), 111 min., color. Directed by Martin Ritt. Starring Paul Newman, Fredric March, and Richard Boone.**

"I saw this movie years ago," commented Midas Mulligan. "*Hombre* is my favorite western."

The storyline: John Russell (Paul Newman) is an Apache-raised "hombre" returning to a white man's world. Russell is not afraid to defend his honor or to use a gun.

"He's not a coward like Charlie Madison," yelled Hank Rearden.

"Hush!" shouted Quentin Daniels, clutching a bag of popcorn in one hand and a cigarette in another.

Russell doesn't believe in getting involved in other people's affairs. When a gunslinger threatens a man, demanding his

stagecoach ticket, Russell does nothing to help the innocent man. After the event, a witness turns to Russell and says, "You should have done something."

"Wasn't my business."

"But if he had taken your ticket?"

"He didn't."

"That soldier would have helped you."

"I didn't ask him for any. . . . I didn't feel like bleeding for him, and even if it isn't all right with you."

On the other hand, Russell, raised by Apaches, defends the rights of Indians. "They live where they don't want to live." In the beginning of the film, when a cowboy insults a fellow Indian, he hits him with the butt of his gun.

*Hombre* does not live by the rules of gentlemen and society. He is an outsider. He feels no obligation to assist other passengers on the stagecoach when they are robbed and left helpless. He shoots two of the robbers, one armed, the other unarmed. He takes off immediately, leaving the others behind complaining that "we are all together." They finally catch up with him.

"Now that's my kind of libertarian," exclaimed Midas Mulligan. His eyes were wistful again.

When the remaining robbers return to exchange a hostage for money, Russell is

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*John Galt, puffing madly on a gold cigarette, insisted that each film be strictly benevolent and life-affirming in nature.*

---

uncooperative. They threaten to shoot the hostage. *Hombre* is undisturbed.

"All right, shoot her. . . . She's nothing to me."

"What about the others?"

"They say what they want."

Russell has a code of ethics, however. He keeps the saddlebags of banknotes, which had been stolen from the Indians, not for himself, but to be returned to the Indians, the rightful owners.

At the end of the film there's a stalemate between the robbers and the passengers. Everyone except Russell turns out to be a coward, unwilling to exchange the money for the hostage. Finally, the stalemate is resolved when Russell takes the risk and sacrifices himself. His heroic, selfless

act results in his demise. He is killed.

"You see what happens when men abandon their self-interest and sacrifice for humanity? Is that what you call virtue?" It was John Galt who spoke, and three hours later he was still speaking. The others remained silent.

**Fourth Night: Cool Hand Luke (1967), 126 min., color. Directed by Stuart Rosenberg. Starring Paul Newman and George Kennedy. Screenplay by Donn Pearce and Frank R. Pierson, based on the novel by Donn Pearce.**

Ragnar introduced the film, another Paul Newman appearance as a non-conformist libertarian. "In this case, the film tells the tragic — no, I mean the be-

*To qualify, a movie should offer protagonists who are rugged individualists and non-conformists, questioning the rules of society.*

nevolent and life-affirming story of an individualist who, like many freedom-loving souls, has tremendous potential yet fails to achieve it."

"I've never planned anything in my life," comments Lucas Jackson (Newman). His record indicates that he started as a buck private in the army, earned a Purple Heart in World War II, yet ended his stint the same way he started — as a buck private. Why did he tear off the heads of parking meters in a small town, landing him in a prison camp? "Settling an old score," he responds, implying an act of revenge against the state, perhaps motivated by the war years. Lucas Jackson's problem is that he can't conform to official authority, which he characterizes as "lots of guys laying down a lot of rules and regulations." The rules are often bureaucratic and nonsensical. When Luke is put into the one-man box overnight, after his mother passes away, a guard tells him, "Sorry, Luke, I'm just doing my job." Luke responds, "Calling it a job don't make it right."

In prison, Luke quickly becomes a leader. He's the best poker player among the prisoners. He meets incredible challenges ("I can eat 50 eggs") and never gives up, even when he's beat (the boxing match).

Luke doesn't blame others for his prob-

lems. "What I've done I've done myself," he tells his distraught mother. "Man's got to go his own way." Luke must work out his own salvation. But the unrepentant prisoner is skeptical of God and religion. He goes into a church alone. "Anybody here?" he yells. There is no answer. Life is unfair, he concludes.

"You've got to learn the rules," he is told. But Luke is a social misfit — opposed not to ordinary people, but to the state. "What we have here is a failure to communicate," says the warden in a famous line. Luke disrupts the state prison system and pushes state officials to the limit of tolerance. Finally, they destroy him.

"I remember someone like that," said Hank. "Back at Rearden Steel."

"I'm not sure I understand this film's ideological context." The hesitant voice was that of Dr Thomas Hendricks, the famous surgeon. "In *Hombré*, the libertarian is killed when he finally comes to the rescue of someone who needs help. In *Cool Hand Luke*, just the opposite occurs: the libertarian is killed when he refuses to conform to society. Libertarians can't win no matter what."

Galt's eyes narrowed. "We never said our lot would be easy," he said. "Here, Doc, have a cigarette."

The evening's performance ended with a question. "Which actor has done more libertarian movies than anybody else?" asked Ragnar.

Nominations included Clint Eastwood, Gary Cooper, John Wayne, Humphrey Bogart, Errol Flynn, and Farrah Fawcett.

"Sorry, you're all wrong," Ragnar said. "It's Paul Newman! Tomorrow we'll be seeing his third libertarian film."

**Fifth Night: Sometimes A Great Notion (1971), 114 min., color. Directed by Paul Newman. Starring Paul Newman, Henry Fonda, Lee Remick, Michael Sarrazin, and Richard Jaeckel. Based on the novel by Ken Kesey.**

"If you think last night's film puts libertarians in a bad light," commented Ragnar, "Wait until you see this evening's picture. You'll see what Paul Newman really thinks of libertarians."

"Newman isn't a libertarian!" yelled Kay Ludlow, the movie actress. "He isn't even a good actor!"

"Perhaps so," Ragnar replied. "As a

matter of fact, in this film the Henry Stamper family, imbued with the libertarian philosophy, is placed in a highly unfavorable light." The lights went down and the film began.

Henry Fonda plays an irascible, stubborn father who lives by the family motto, "never give an inch." He heads an independent family logging operation in Oregon that is anti-union, anti-socialist, and anti-feminist (the women have little or no influence, and hardly ever talk). But they are hard-working men of their word who don't violate their contracts. Consequently, they become scabs when the rest of the community joins in a union strike.

The Stamper family is against anyone telling them what to do, whether a "commie, pinko" government or a threatening labor union. Hank (the oldest son, played by Newman) sardonically talks back to the union leaders: "You're going to tell us when to stop cutting, who to sell to, and pat our little bottoms and tell us what good little boys we are."

In the final analysis, the family never gives an inch, but as a result Hank loses a father, a brother, and a wife. He also fails to

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help a theater-owner who later commits suicide. Despite paying this high price, Hank is defiant to the end.

"You must never compromise your principles," declared John Galt at the end of the movie, "no matter what the price."

"I'm afraid the price is too high for me." Everyone turned and stared at the face of Francisco d'Anconia.

**Sixth Night: Brazil (1985), 131 min., color.** Directed by Terry Gilliam. Starring Robert De Niro, Jonathan Pryce, and Kim Greist. Screenplay by Terry Gilliam, Tom Stoppard, and Charles McKeown.

"This surrealistic story is the best dystopian film I've ever seen," declared Ragnar. "The plot, full of black comedy, is far more entertaining and exciting than the stereotyped attempt to put

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*Rearden took exception to Charlie Madison's character. "Libertarianism must not be equated with a libertine lifestyle! Liberty does not mean license!"*

---

George Orwell's classic on the silver screen. The cinematography and production designs are dazzling. It's a visual feast of imagination and creativity."

Instead of being ruthlessly efficient, the central authority in Brazil gropes incompetently through a nightmare of paperwork, unreliable services, and a bloated and incredibly complex infrastructure. Nothing works — a vivid reminder of the old Soviet Union. Despite the government's hoard of advanced weapons, the ubiquitous spy machines, and federal police galore, the underground survives and even thrives. The black market engineer (De Niro), referred to by state operatives as a "terrorist," is never caught. However, a government clerk (Pryce), who holds fast to his ideals and his Dream Girl (Greist), is tortured and destroyed.

"Brazil paints a picture of the future that is much more believable than *Nineteen Eighty-four*," Ragnar commented at the end of the presentation.

"Even more believable than *Atlas Shrugged*?" The darkened theater was too thick with smoke for anyone to rec-

ognize who said it.

Ragnar's eyes narrowed, but he continued. "The storyline includes no-knock break-ins by federal SWAT teams, national ID cards required for all citizens, constant monitoring through X-ray machines, everyone living in tall apartment complexes, etc. But you also witness bureaucratic mix-ups, thriving black markets, and underground opposition. You can see it coming. It's eerie."

"Eerier than *Atlas Shrugged*?" But the theater was still too thick with smoke.

**Seventh Night: The Adventures of Robin Hood (1938), 102 min., color.** Directed by Michael Curtiz and William Keighley. Starring Errol Flynn, Olivia de Havilland, Basil Rathbone, Claude Rains, and Patric Knowles.

Ragnar bravely introduced the film. "Several pictures have been made about Sir Robin of Loxley, the outlaw of Sherwood Forest, including a recent effort by Kevin Costner, but nothing compares to the original, dynamic Errol Flynn version. He's my kind of hero!"

"He's the 'hero' that we tried to kill!" It was Francisco's voice that protested.

"I remember that movie," said Midas Mulligan.

Francisco remained silent.

*Robin Hood's oath, "To take from the rich and give to the poor," sounds more like standard fare of the Clintonistas than a libertarian creed. But, like many libertarian heroes, Sir Robin is misunderstood — even by Ayn Rand. The real story, clearly revealed in this film version, is that Sir Robin of Loxley is not simply an outlaw who stole from the rich, but a fighter against unjust taxation and other acts of oppression by the forces of the state, Prince John and the Sheriff of Nottingham. Conforming to the legend, the twelfth-century Norman authorities impose unbearable taxes on the Saxons, beating and torturing them, raping their women, and confiscating their property when they refuse to pay. A law is passed making it a capital crime to kill the king's deer in Sherwood Forest, even if the hunter is starving. Robin's band of merry men oppose this oppression, and their efforts to "steal from the rich" are in reality aimed at recapturing the tax monies that are rightfully theirs in the first place. The bold rascal Robin Hood isn't a reckless outlaw, but*

*a brave patriot. "I'll organize revolt," he proclaims before Prince John and his entourage. "I'll never rest until I strike a blow for freedom."*

"You speak treason," asserts Maid Marian.

"Fluently," replies Sir Robin.

"There's only one problem with this picture," muttered Lawrence Hammond, the automobile magnate, glancing warily at Midas Mulligan, who had saved Hammond's non-competitive business with a well-timed loan of a hundred pounds of gold. "What does Robin Hood do with the tax money he seizes? Does he keep it himself or does he return it to its rightful owners?"

"Better ask Ragnar about that," said Mulligan. Ragnar had recently opened his own bank.

*In this version, King Richard the Lion-Hearted is being held for ransom in Europe, and the merry men decide to use the money to pay it off. Richard is viewed as a benevolent king who ousts Prince John and re-establishes peace and liberty when he returns. Yet this is the same King Richard who has left England to lead the Crusades against the "infidels."*

Dagny ground her cigarette into her popcorn. "This is an unjustifiable act of religious intolerance and imperialism, an act that no libertarian can justify," she declared. "Under these circum-

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*"Paul Newman isn't a libertarian!" yelled Kay Ludlow. "He isn't even a good actor!"*

---

stances, *The Adventures of Robin Hood*, however well-performed, cannot be viewed as an entirely satisfactory libertarian film."

"Aw, pipe down," said John Galt. "I'll do the talking in this family."

"All right," replied Ragnar, "if you don't like this version of *Robin Hood*, you still might enjoy tomorrow night's alternative. Stay tuned!"

**Eighth Night: The Mark of Zorro (1940), 93 min., black & white.** Directed by Rouben Mamoulian. Starring Tyrone Power, Basil Rathbone, and Linda Darnell.

"The story of Zorro has been produced on the silver screen numerous

times, but nothing beats the 1940 version with Tyrone Power," said Ragnar.

"That's your opinion," said John Galt.

Diego Vega, son of a rich plantation owner, returns from Spain to learn that his honorable father has been deposed as Alcalde of Los Angeles and replaced by tyrants who "make the people more industrious" by imposing heavy taxes

**"You speak treason," says Maid Marion. "Fluently," replies Sir Robin.**

(shades of Bill Clinton). Those who can't pay are tortured and jailed (shades of Janet Reno). His father is an old traditionalist, a stickler for law and order, and refuses to fight back. "Two wrongs don't make a right."

But the young, debonair, and tepid Diego becomes the brave, resourceful outlaw Zorro at night, recapturing the gold that the rulers have stolen from the "peons." What does he do with the money?

"That's what I'd like to know!" exclaimed Midas Mulligan. Ragnar remained silent.

"This gold was wrung from the peons," he tells the local padre. "It's up to us to restore it to them."

The story ends when the peons, under Zorro's leadership, storm the mayor's headquarters and reappoint Diego's father as Alcalde.

"Fantastic!" exclaimed Midas Mulligan. "Clearly, Zorro does not suffer from bad motives, as is the case with Robin Hood — and some other people I might mention. I give *The Mark of Zorro* five stars."

**Ninth Night: *Cash McCall* (1959), 102 min., color. Directed by Joseph Pevney. Starring James Garner, Natalie Wood, and E.G. Marshall. Based on a novel by Cameron Hawley.**

Ragnar stood in front of the crowded theater. "Attention all you unrepentant greedy capitalists — Hank Rearden, Ellis Wyatt, Lawrence Hammond, Dwight Sanders! This is your kind of show!"

"And you too, Midas!" shouted Francisco. Francisco had a childlike, be-

nevolent, life-affirming innocence, despite his enormous debts.

*Cash McCall* (Garner) is the quintessential misunderstood business tycoon. As a takeover artist and financier, a cross between Howard Hughes and Michael Milken, he is feared and loathed by the public, the media, his business partners — even schoolkids, who have made up a nursery rhyme about him. He is viewed as a vulgar, fast-buck, unscrupulous, cold-hearted robber baron who takes over companies, lays off workers, and sells the enterprises at a hefty profit. At the beginning of the picture, McCall is being investigated by the IRS for tax evasion. Later he is accused by his fiancée, Lory Austen (Natalie Wood), of being unfaithful.

"I'm a thoroughly vulgar character," Cash McCall says, playing on his public image. "I enjoy making money."

"So do I!" said Kay Ludlow.

"When the hell did you ever make any money?" asked Dagny. "You wouldn't have gotten to your auditions if I hadn't given you a railroad pass!"

"Aw, pipe down!" interjected John Galt. "Give 'er a break, will ya'?"

Kay Ludlow smiled.

But the reality of the man is completely different from appearances. Cash McCall is, in fact, an efficient, shrewd businessman with a high standard of personal and business ethics. He admits that he is not a "company man." As an independent financier, he likes to "buy old companies, whip them into shape, and sell them." But there is nothing shady about him. He honors his commitments and doesn't try to hide things. He gives potential sellers a chance to get out of his deals. Cash has an opportunity to take advantage of Lory when they first meet, but refrains.

Unlike many other libertarian films, this one actually has a happy ending.

"That's the most beautiful film I've ever seen," said Kay Ludlow. Dagny remained silent. She was remembering all the times John had refused to take advantage of her.

**Tenth Night: *Ben Hur* (1959), 212 min., color. Directed by William Wyler. Starring Charlton Heston, Stephen Boyd, Jack Hawkins, Haya Harareet, Hugh Griffith, and Martha Scott.**

"How in the devil could you include a religious film, Rag?" demanded John Galt. "You never really were one

of us, were you?"

"But it's so romantic," said Kay Ludlow. "And so realistic, too!"

"Well, maybe you're right," said John Galt. "It might be benevolent and life-affirming."

Dagny Taggart suddenly stood up. "Religion is the opiate of the masses. I'm leaving!" She put out her cigarette and exited the theater, followed by Francisco.

"Have an open mind," pleaded Ragnar, oblivious to John and Kay's increasingly harmonious ideological trends. "This movie actually has an underlying libertarian theme."

The hero, Prince Juda Ben-Hur (Heston), is the wealthiest man in Jerusalem, having obtained his wealth honorably as a merchant. He treats his servants as friends and stewards, not as slaves. When Ben-Hur is confronted by the new Roman commander Messala (Boyd), his boyhood friend, he defends his country's right to be free from foreign oppression: "Withdraw your legions, give us our freedom." Ben-Hur is opposed to violence, but will not turn informer and reveal the names of dissident

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Jews. "They are not criminals — they're patriots!" he explains. Messala offers Ben-Hur power and protection if he will betray his people, but he cannot be bought. "I'd rather be a fool than a traitor."

Ben-Hur has personal integrity. He refuses to kill Messala in cold blood, even though he has the opportunity. He becomes a Roman citizen when he saves the life of the Roman fleet commander Quintus Arias. But he returns his adopted father's ring after coming back to Jerusalem. He will not take part in the Roman policies of slavery and tyranny.

"Still, he is a thorough-going, practicing Jew, a member of an irrational faith," Rearden asserted after the film was over.

"It is the only thing that keeps him alive," explained Ragnar. "The Jewish demand for revenge. It's life-affirming."

"Religion denies an objective, rational world — and requires faith in things you cannot see or feel," insisted Galt.

"That's right," Kay murmured.

"Granted, Juda Ben-Hur is a true believer in God, but he bases his belief on real evidence — such as the event at Nazareth where he is miraculously given water by the carpenter. That's one of the most moving scenes ever filmed. And note how skeptical he is about the new Christian religion. He does not believe until he actually sees a miracle — his mother and sister are healed of leprosy. Only then do bitterness and hatred leave his soul, allowing him to become a happy man again."

The debate continued into the night in the midst of a smoke-filled room, although John, Dagny, Francisco, and Kay were no longer present.

**Eleventh Night: *Dark of the Sun* (1968), U.K., 101 min., color. Directed by Jack Cardiff. Starring Rod Taylor, Jim Brown, Yvette Mimieux, and Kenneth More. Based on the novel by Wilbur Smith.**

Ragnar Danneskjold was excited about the eleventh night's presentation. "It's my favorite movie — an action film full of violence, intrigue, and romance!"

"Better than *Rambo*, *Dirty Harry*, and *Rooster Cogburn*?"

"Much better!"

*This is the story of four mercenaries, men who fight and die for anybody, for any*

*cause, anywhere — if the price is right. In this story, they hunt diamonds, they hunt cannibals, and they hunt each other. Ostensibly, they are paid to rescue a community deep in war-torn Congo under threat of attack by vicious rebels, flesh-hungry cannibals; but they also have a clandestine objective of bringing out a load of priceless diamonds. The action is fast-paced, the music is haunting, and the train scenes are unforgettable.*

"This is my kind of life," proclaimed Ragnar.

"I'd love to be on that train right now," exclaimed Dagny Taggart.

"Me too," said Francisco, taking the empty seat next to her.

*The mercenaries are men without hope who discover that it is never too late. One finds the strength to die like a man, although he has lived his whole life in fear. Another rediscovers self-respect and the chance to start over again, and the third (Bruce Curry, a role magnificently performed by Rod Taylor) finds that he can love again. Still, the storyline ends in violence and tragedy. He who lives by the sword must die by the sword. The question is, can there be any salvation for men who commit the vilest of sins?*

"I told you most libertarian films have sad endings," commented Ragnar.

"Can we expect anything different for us?" Richard Halley asked. Everyone knew the composition of his new opera, *Frank O'Connor*, was not going well.

**Twelfth Night: *The Fountainhead* (1949), 114 min., black & white. Directed by King Vidor. Starring Gary Cooper, Patricia Neal, and Raymond Massey. Screenplay by Ayn Rand, from her novel.**

Everyone applauded when Ragnar announced the festival's last film. "It's about time!" said Dagny Taggart.

"It's about time!" added Francisco d'Anconia.

Ragnar agreed. "A libertarian film festival would not be complete without showing the movie version of Ayn Rand's philosophical novel about Howard Roark, the iconoclastic architect," he said.

*Roark, like Van Gogh or*

*Michelangelo, refuses to give in to popular artistic design: "I don't care what they think of architecture, or anything else." Roark's standards are so demanding and provincial that he has great difficulty in finding work. "I don't have clients in order to build, I build in order to have clients."*

"I don't get it," Quentin Daniels interrupted. "I thought capitalism works because the producer responds to consumer needs. Is Howard Roark anti-capitalist?"

"You have a lot to learn, young man," responded Galt. "Roark sets the highest standard. If the public doesn't buy it, he will do something else — just as all of you are doing other things here in Atlantis."

"That's right!" said Kay Ludlow.

"And what are you doing, my dear?" inquired Dagny.

"*The Fountainhead* is supposed to be symbolic," Richard Halley added. "It's about the moral strength of the individual against the mediocrity of the masses."

"That's right — mediocrity," said Dagny.

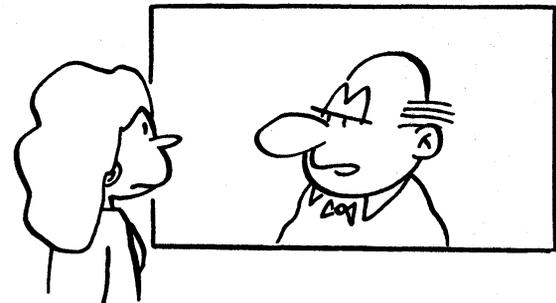
"That's right — mediocrity," said Francisco.

*Roark is the unbridled individualist, the "supreme egoist," opposed to all forms of self-sacrifice or charity: "I don't give or ask for help." The final speech of Howard Roark, "The Individual vs the Collective," is delivered with great fervor.*

"In a true libertarian society, there would be no government welfare system, that I know," said Hank Rearden. "But are there to be no charitable organizations, no churches to help the needy?"

"Of course not, Hank. What's got into you anyway? You're starting to

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sound like your wife!" Kay smiled smugly at Galt's words.

"It's obvious that Hank is right!" shouted Dagny, snuffing out two cigarettes.

Francisco d'Anconia was disturbed about another aspect of the film. "Frankly, fellow libertarians, the sex in this movie stinks! Dominique Francon appears incapable of showing real feeling and love. Sex with Roark is impersonal — only afterwards does she discover who he is. Who would want that kind of relationship?"

Dagny looked nervous as Francisco continued talking. "Can you imagine spending weeks alone in an empty country house? What a bore! To Dominique, freedom is empty; it is to want nothing, to depend on nothing. If this film were in color, there would still be no warmth."

"Oh, who the hell wants color?" Dagny interjected.

Ragnar interrupted. "You might be interested in knowing that Miss Rand didn't like the outcome of the film either, even though she wrote the screenplay. She wanted Greta Garbo to play the part of Dominique, and she hoped Frank Lloyd Wright would do the architectural designs. Some rank amateur produced some horrible modernistic work instead."

"You mean she compromised her principles?" asked Rearden. No one replied.

**On the thirteenth night**, the audience gathered by the light of kerosene lamps. "How romantic!" said Kay Ludlow, but Galt did not reply. Dagny, too, remained silent.

After protracted debate about the morality of voting, an informal poll showed *Cash McCall* barely topping *Shenandoah* for Best Libertarian Picture. Paul Newman was voted Best Actor and Farrah Fawcett won Best Actress in a Future Libertarian Film.

John Galt reluctantly congratulated Ragnar Danneskjold for his choice of movies. "But of course," he added, "the search for the ideal libertarian film won't end until *Atlas Shrugged* has been produced."

"And we can all play ourselves," Kay Ludlow sighed.

The throng of individualists trailed out into the fresh night air. In the dis-

tance could be seen the yellowish sign of a gold dollar, hovering high in the valley. A man appeared out of nowhere and approached the house, his glossy

eyes looking straight ahead at John Galt.

He asked simply, "Who is Cash McCall?" □

## Booknotes

***Cry the Beloved Continent*** — Africa's anti-imperial victories of three decades ago threw out one form of oppression only to usher in a newer, usually far worse brand: one-party dictatorships and military juntas that have tortured and killed their citizens, invaded their neighbors, muzzled free expression, and pushed once prosperous regions into poverty and starvation. George B.N. Ayittey's Mencken Award-winning *Africa Betrayed* (St. Martin's Press, 1993, 412+xx pp., \$35.00) is a sprawling but well-reasoned assault on Africa's illiberal regimes. The book has two important points to make. The first is that African and pro-African intellectuals do no good when they defend these autocracies; it is the tyrants, not their critics, who have betrayed the anti-imperialist cause. The second is that precolonial Africa can boast of a rich history of individual liberty, of participatory democracies with little, sometimes no government. For Ayittey, it is liberal democracy and free markets, not militarism or state socialism, that best reflect classical African culture.

Broadly speaking, this critique is on-target, though there are some unfortunate gaps in the specifics. Ayittey ignores the often lowly status of women in the precolonial systems. At a few junctures, he speaks favorably of Angola's UNITA rebels, an opportunistic band of terrorists who recently sabotaged their nation's carefully negotiated peace. (I am informed that Ayittey plans to remove all pro-UNITA passages from future editions of his book.) The critique of international lenders' "structural adjustment policies," while accurate so far as it goes, neglects one crucial point: often, even the "pro-market" policies of the World Bank and the IMF fail to distinguish state socialism from voluntary and quasi-voluntary traditional communal ownership, with disastrous policy results.

Also, alas, the book is frequently repetitious and sometimes sloppily written. There is a wealth of information and analysis within, but the prudent reader might be better off scanning the book for useful or interesting passages, rather than attempting to read it from cover to cover.

Despite these caveats, *Africa Betrayed* is a valuable volume. It is one of only a few works analyzing contemporary Africa from a libertarian perspective, and the ideas within it deserve as wide an airing as possible. —Jesse Walker

***Look Homeward, African?*** — In 1990, Eddy Harris, an American black journalist, decided to fulfill his dream, shared with many black Americans, of making a pilgrimage to Africa, "the mystic source." He did not expect to be welcomed home as a brother; nor did he think he would feel like a brother. But he felt drawn to Africa by a power he could not ignore. He planned to travel as the locals traveled, to sleep as they slept, to eat what they ate. He knew his would not be an easy trip. In *Native Stranger* (Simon & Schuster, 1992, \$22.00 hc, \$12.00 sc), Harris tells the story of his journey.

He began his travels in North Africa. In keeping with his intention to be a traveler, not a tourist, he observed Ramadan with the Arabs. This brought him respect and an opportunity to speak with people who might otherwise have ignored him, but it did not free him from the worst aspect of the Arab world: its poverty. He was pursued by beggars wherever he stopped. They recognized an American when they saw one.

By the time he reached Morocco, he felt the need for a clean bed and familiar food and a break from the strains of local travel. So he booked himself on a horseback trip with a group of European tourists. To his unease, he noticed he felt much more comfortable and

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relaxed with them than he had while traveling with Africans.

From Morocco he headed south to Senegal, where the tensions among blacks had become deadly. His American passport was a lifesaver, though his conscience was bothered that this accident of birth would ease his way. This was his first serious run-in with authority. But not his last.

He continued south to the Gulf of Guinea, then west across central Africa through Cameroon, Central African Republic, and Tanzania. His skin color enabled him to blend in to a certain extent. But local blacks always recognized him for who he was. "How can you tell?" he asked one young man. "Look at yourself," he said. "And then look at us. It's your clothes, it's your size, it's your eyes. Your body is healthy. We are thin and little. We lack food. We lack vitamins."

He used the public transportation system used by local people, traveling smashed into the back of pickup trucks with as many people as could fit. Overloaded vehicles were insured by the local custom of beginning trips only when every possible bit of truckspace was filled with a paying customer. This meant waiting in markets in the back of Peugeots for hours and even for days.

Living meant staying in villages with unlit dirt streets, making a nighttime visit to the informal bar where locals gather an adventure. It also meant eating rat stew from an informal restaurant in someone's hut. It meant showering in a local's compound with one bucket of water. It meant sleeping on a straw-filled mattress infested with insects. This was not easy for him: he had always been fastidious, one of those finicky types who wouldn't share a pop bottle and would clean his silverware before eating in restaurants.

But what troubled him the most were the endless hassles from government officials and the way people responded to them. Every border crossing was an excuse for uniformed men to strut and push everyone else around, threatening people, demanding bribes, hassling him and everyone else in a hundred ways. Nor was this harassment limited to border crossings: practically every policeman and government official he saw was bullying

someone, just because he could. Even more frustrating for Harris was the everyone else's willingness to accept this fate. No one fought back. No one complained.

No one was even annoyed.

Finally, after more than a year of rotten food, bug-infested quarters, scant sanitary conditions, bullying bureaucrats, and complacent citizens, he arrived in Zimbabwe, where the roads were paved, the border guards treated people civilly, and there were enough remnants of the British system that he again felt comfortable with the way people were living:

It was the end of Africa for me. . . . It was so strange to be among so many black people yet to have so much more in common with the handful of whites. One Englishman, Justin, and I were hauled off to the bridge for taking pictures. We were warned by the captain that picture-taking was forbidden — of course. He didn't hassle us much, but he did preach to me about moving to Zaire to help his country grow.

"The most advanced black man in the world is the American black man," he said. "We need you. This is your home. This is where you belong."

I was shaking my head. I could never live in Africa, I told him. I had been here too long already.

"You prefer to live with the whites?" he said. He pointed his thumb at Justin. "His ancestors stole your ancestors from this place and took them to America as slaves. How can you live with them?"

Thinking quickly back on all I had seen and all I had felt, I turned to Justin and thanked him. The spell was broken.

This is Africa today, related by a man who got as close to the experiences of the native as an outsider is able. What he discovered was not a unity of blackness but a unity of humanness. Everywhere he was frustrated by the African complacency. While Africans wanted a better way of life, they were willing to wait endlessly for someone else to improve their lives. He empathized with their situation and wished for a way to relieve their suffering. But he doubted anything he could do would help.

By the end of his trip he found him-

self agreeing with a white American he had met in Morocco. "What black men do to other black men is no better than what white men do," he had said, "and no better because it is done by blacks."

—Kathleen Bradford

**Paleoid** — Paul Gottfried's *The Conservative Movement* (Twayne Publishers, 1993, 213 pp., \$13.95) contains more reporting on check sizes than a work of intellectual history warrants. Gottfried is a little too obsessed with the neoconservatives' alleged monetary control of the conservative and libertarian movements, and his opinion of modern libertarians has been warped by his connections to the likes of Lew Rockwell (cf. the author's unsupported and unsupported statement that "today libertarians assault government as a source of racist, sexist, and homophobic oppression"). His use of the term "neoconservative" also poses problems: in Gottfried's lexicon it is largely a contentless swear word. Nonetheless, his book remains a readable and reasonably comprehensive short overview of the characters, institutions, and events that have defined conservatism since the '50s.

But in a world where George Nash's magisterial *The Conservative Intellectual Movement in America Since 1945* exists, Gottfried's book is probably unnecessary. All the same, it does provide some sharp insights into why libertarians and conservatives can't assume that they are allies fighting the same battles. "For the authentic conservative," Gottfried writes, "history must remain a constant point of orientation for the individual as well as the store of received assumptions." And: "By employing the language of rights, [Chester] Finn explicitly endorsed a political philosophy alien to most conservative thought."

The most amusing "mote in my

brother's eye/beam in my own" line in the book comes when Gottfried excoriates Alan Crawford, author of the admittedly poor and scurrilous tome *Thunder on the Right*, for "describ[ing] the New Right almost exclusively in the terms of . . . who raised money for whom, who gets appointed to which job through whose influence, and so on — a technique the John Birchers used against the Left." Dropped into the middle of a book obsessed with the cash and influence of those damn neocon foundations, this line triggers only a sour laugh.

—Brian Doherty

**Howard Stirner?** — The Libertarian Party, eternally suffering from Attention Deficit Disorder, has found a new publicity stunt in the form of an egomaniacal, foul-mouthed, nationally syndicated disc jockey. Howard Stern has accepted the Libertarian Party nomination for governor of New York State on a platform of reinstatement of the death penalty, filling potholes, and staggering traffic tolls. If Stern nets 50,000 votes in November — which is likely, considering his grassroots popularity — the LP will receive an automatic line on the ballot in New York for the next four years.

Sounds great, but is this guy for real? And is he really a libertarian?

Stern's bestselling autobiography *Private Parts* (Simon & Schuster, 1993, \$23.00) is 448 pages of potty jokes; on that level, I loved it. But it offers scant evidence of the author's political leanings. What it does offer is a candid profile of Stern and the making of his raunch revolution, including details of his most notorious radio and television pranks that have so infuriated respectable people for more than a decade. To flesh the book out and please the eye of his target audience, plenty of photos have been included, most of which feature scantily clad young hardbodies

### Errata

In Chester Alan Arthur's "Whitewater Was No Accident" (May 1994), it was incorrectly stated (p. 28) that Lenora Fulani has never received so much as .1% of the presidential vote. In fact, in the 1988 election, she received .24%. Arthur's point, of course, still stands.

In Pierre Lemieux's "Chaos, Complexity, and Anarchy" (March 1994), there appeared an error in Figure 1 (p. 22): The curve labelled  $r=3.0$  should have been the same as the one labelled  $p_0=0.1$  (instead of being the same as the one labelled  $p_0=0.106$ ) in Figure 2 (p. 23). In other words, the curve labelled  $r=3.0$  in Figure 1 actually starts at  $p_0=0.106$ , instead of starting at  $p_0=0.1$  as it should have. This does not change the conclusions, since both curves are chaotic, but it does add needless confusion.

The editors thank readers Richard Winger and Brian Keeley for calling our attention to these errors.

being groped and spanked.

Behind all the locker-room humor is the secret to Stern's success: he's a populist, joyfully articulating the unspoken thoughts of the people in an age when silence is golden. Whether it's screaming at celebrities through a megaphone at a Grammy Awards press junket, or appearing on the *Arsenio Hall Show* and referring to the host as "Eddie Murphy," Stern deflates the egos of a self-important Establishment hellbent on maintaining an air of distinction. And the Establishment isn't pleased — witness the FCC's efforts to shut him up.

The irony is that Howard Stern is a model family man, no small feat in an age when so many officeholders constantly scramble to cover up their marital infidelities. There will be no I-didn't-inhale stories during this campaign; his private life is already public domain.

Robert Goodman, the Libertarian Party member who urged Howard to consider the LP in his bid for governor, will tell you that the DJ is a bona fide libertarian. Writing for the New York LP newsletter *Free New York*, Goodman states, "Over the years, he's said he's for privatizing all government services, abolishing welfare, legalizing all drugs, abolishing both legal persecution of and privileges for minorities, limiting business regulation to policing of fraud, repealing vice edicts, and allowing honest people to own guns." In addition, Stern has fulfilled the libertarian dream: making a fortune in the private sector through honest work while telling an intrusive government agency (along with most everyone else) to go stick it.

Stern seems to be taking his bid seriously; at the New York LP convention, he asserted that he didn't want to turn it into a mockery. Is this for real? Who cares? What in the hell does the LP have to lose — its credibility? (Save your teary letters, LP purists — I too vote libertarian.) Howard Stern will certainly be drawing some disaffected people to the polls come November. If a few take interest in the libertarian message as a result, all the better.

And who knows? In the brutal cage match called Empire State politics, anything can happen. —Robert Pogue

**Thoroughly Modern Slonimsky** — Nicolas Slonimsky (1894– ) made his mark early in the century by

conducting the premieres of several of the great modernist American masterpieces, most famously Charles Ives's *Three Places in New England* and Edgard Varèse's brilliant composition for two sirens, "lion's roar," and tuned and untuned percussion, *Ionisation*. And though Slonimsky also composed, his forte was not as a musician as such, but as a writer about music. A theorist of some stature, he bequeathed to the world such coinages as "pandiatonism" (my favorite "ism," bar none). But it is as a biographer and music journalist — as the author-editor of the amusing *Lexicon of Musical Invective* (1952) and the amazing *Music Since 1900* (1937, with several later editions), his work on the fifth through eighth editions of *Baker's Biographical Dictionary of Musicians* (1958–1991), and his autobiography *Perfect Pitch* (1988) — that he has most surely secured his place in music history.

Richard Kostelanetz, editor of a fascinating new collection of Slonimsky's writings, *Nicolas Slonimsky: The First Hundred Years* (Schirmer Books, 1994, 393 + xix pp., \$35.00), appreciates Slonimsky's strong points as well as anyone. Of Slonimsky's compositions, Kostelanetz writes: they "are best understood in relation to two composers whose works they most resemble: Erik Satie, who likewise specialized in miniatures, and 'P.D.Q. Bach (1807–1742?),' the alter-ego of Peter Schickele, forty-one years Slonimsky's junior, who likewise exploits a sophisticated mixing of musical styles" (p. xvii). The picture that emerges from Kostelanetz's introduction and in the writings selected from Slonimsky's humongous output is one of a very clever and witty man with a true love for both music and music-trivia, a dedication to fact-checking unmatched by any other editor or journalist I know of, and a clear and elegant prose style:

I stayed at . . . the only "skyscraper" in Kiev (it rose six stories and dominated the broad expanse of the Dnieper River). Such a conspicuous building was an obvious target for requisition by various military forces active in the area during the Civil War. (Kiev had changed hands seventeen times in three years.) To protect ourselves against intrusion, we organized a Scriabin Society [named

for Russian proto-modernist composer Alexander Scriabin], and, amazingly enough, the Red Army and some Ukrainian revolutionary groups actually respected our Society as a legitimate shield. At one point an aggressive raiding party of the Soviet military attempted to dislodge us. I remember the intruders as a curiously mixed group led by an officer who carried a tennis racket. During the peculiarly internecine struggle, I developed a certain expertise in handling various feuding factions and was particularly adept in confronting the Bolsheviks, with whom I even used the technique of dialectical materialism. (p. 7)

Slonimsky has a keen interest in just about everything, and there is something new and bizarre to learn about on every page: castration, Frank Zappa, Hugo Gernsback, the U.S. military, Lee De Forest, the Weather Underground, the self-mythologizing of the rich and famous, the triskadecaphobia of the inventor of dodecaphony, John Stuar Mill's anxieties, and the Antichrist, to name a disparate few. Slonimsky also displays a word-hoard that sent this reader to the dictionary on more than one occasion.

And Slonimsky is not the only oddball revealed in these pages: some of Kostelanetz's editorial choices are, well, weird enough to be called "modernist." The first section of Slonimsky's writings is dubbed "Autobiographies." But among the selections therein is Slonimsky's introduction to the monumentally exhaustive *Thesaurus of Scales and Melodic Patterns* (1947), which contains much technical talk about music theory, but as far as I could tell, no references to his self. Kostelanetz apparently regards this piece as exceptionally self-revelatory, in that it reveals Slonimsky's self in his most important work. What this may lack in sense it gains in charm.

*Nicolas Slonimsky: The First Hundred Years* will delight anyone interested in the music of this century — or at least those who have gotten past the hurdle Slonimsky refers to as the "psychological inhibition" of the "Non-Acceptance of the Unfamiliar," and who realize that "music is an art in progress" (71). Kostelanetz has once again found a perfect subject for his quirky editorial proclivities, and his readers should be appreciative. I know I am. —Timothy Virkkala

## Casey, "Sun, Seegars, and Socialism," continued from page 28

Cuba would be an ideal prospect for free-market anomaly because Castro needs a way to exit gracefully into the sunset. He could declare that the Revolution has succeeded, and that it is now possible to grant "power to the people" directly through a Marxist "withering away of the state," providing an ideal — and ideologically defensible — end-run around disaster.

In any event, I gave both Castro and Lahé copies of my recent book, *Crisis Investing for the Rest of the '90s*, and encouraged them to read the chapter on free-market anarchism. When I return to Cuba, I hope to discuss the concept with Lahé.

### Counterrevolution?

That said, Cuba isn't very likely to adopt free markets any time soon. More likely, the government will fight a rear-guard action against outside influences, even as the genie gets out of the bottle.

But things are changing. Two principles, both based in Marxist dogma and central to Cuban bureaucrats' thinking, are gradually being undermined. One is that large parcels of land aren't to be sold to foreigners; that's already being subverted by the long-term leases needed to attract foreign capital.

The other is the notion that the state should be the only employer, which has resulted in a perverse piece of doublethink. When a foreign company hires the services of a worker for \$600 a month, its contract is with the Cuban government. The state gives the worker the \$600 — only in pesos, at the official exchange rate, which means about 3 in the real world. So, under the pretense of keeping the foreigners from exploiting the workers and peasants, the government does the exploiting.

Will the average Cuban get fed up with this kind of nonsense and revolt? I doubt it. There will be an evolution, not revolution. The national mood is one of consternation, puzzlement, and bewilderment, not anger. The average cit-

izen still has too many warm, fuzzy feelings about the Revolution to toss it on the garbage heap of history. The Cuban state will persist, but it will be quietly overwhelmed from ten million different directions.

The main source of problems will be the Cubans in Miami; those who are politically oriented seem (understandably) to have a chip on their shoulder. Even today, the hard-core anti-Communists protest any company that does any business on Fidel's island. I don't think they'll reintegrate easily with their countrymen on the island; the culture clash will be at least as great as that between East and West Germany. They surely won't gain the reigns of power. More likely, they'll be resented as uppity rich cousins, and frozen out for a long time to come.

Governments everywhere make it their business to subject the productive elements of society to all manner of inconvenience and harassment. The important thing here is that the trend has turned. Conditions will start to improve in Cuba, and its government, already toothless, will likely become increasingly irrelevant.

### Tropical Desert

Is there nothing to be said for Cuba? There is, if you're a fan of good cigars. A top-notch Cuban cigar retails for upwards of \$10 most places in the world; in Cuba, a Cohiba Elegante goes for \$2, and I suspect the locals pay a lot less. Cigars are not in short supply in Cuba. And unlike here, it's considered socially and politically correct to enjoy one.

But that's about it. Tropical Cuba has been frozen in time, and while its eventual rejuvenation is inevitable, right now it resembles nothing so much as an enormous ruin.

I can't help thinking of the state of affairs at a mining site I visited on the Island of Youth, a large island off Cuba's southern coast. The Russians operated a gold mine there for several years, but have left the scene — and it's a mess. The mill is a jerry-rigged, Rube Goldberg affair, cobbled together from old American equipment and bits and pieces of stuff gathered from the far reaches of the old Soviet Empire.

Nearby were hundreds of 55-gallon

drums filled with ore concentrate, each containing perhaps \$1,000 worth of unrefined gold. But they were just lying there, untouched for lack of an autoclave. Meanwhile, natural weathering was leeching the arsenic, antimony, and other tasty heavy metals into the water table. A giant warehouse, which served no useful purpose anyone could determine, lay half-built and deteriorating nearby. The shaft to the underground workings lay open, offering idle strollers a hundred-foot plunge.

Words like "safety," "efficiency," and "economy" apparently don't occur in the vocabulary of Russian engineers. This state of affairs is more or less typical of what the Russians have done everywhere, including at home. What's left at the mine site is basically a cleanup operation. In fact, the whole island is.

About 20,000 students, mostly from people's republics in Africa, were housed on the island to study politics and work in gigantic citrus plantations created by the "planners." Not surprisingly, the plantations were the agricultural equivalents of the mine. Scores of high-rise buildings are now abandoned and deteriorating; a few still hold students from garden spots like Equatorial Guinea and Angola, abandoned in Cuba by governments unwilling to repatriate them. Most of the citrus trees are afflicted with a deadly blight and have to be burned. The fruit of those still alive rots on the ground. There's no labor to pick it, and no means to market it.

As the old joke goes, if socialist planners took over the Sahara, they'd organize a shortage of sand. □

### Coming in Liberty:

"Where Taxes Rise Fastest" — a special report;  
 Thomas Szasz on the politics of pathology;  
 Stephen Cox on the crimes of Washington;  
 Wendy McElroy on the value of pornography;  
 Gus diZerega on liberty and deep ecology;  
 R.W. Bradford on the autobiography of H.L. Mencken.

### Illustrations

"Compassion on the March," p. 13, by James Gill  
 "Fidel Castro," p. 27; "The Watchful Clipper Chip," by Bergstrom, p. 30; and "Oscar Shrugged," p. 59, by John Bergstrom.

Letters, continued from page 4

party before support for change is established is largely a waste of time.

When I first became an ideological libertarian, I joined the LP; it seemed the natural thing to do. Observing yet another presidential campaign start with wonderful promises and end with failure, I came to the conclusion that there was no serious prospect of the party becoming a force in American politics, and nothing has happened since then to change my mind. Today, given a choice between William Weld, Bill Clinton, and another Libertarian candidate destined to be both unsuccessful and ignored, I would support Governor Weld — or, frankly, almost any Republican other than Pat Buchanan or Oliver North — and hope to end up, if not with a purely libertarian America, then at least with a more libertarian America.

Douglas Mataconis  
Falls Church, Va.

**A Nation of Buttheads**

I was offended by Jesse Walker's peremptory dismissal of the possibility that *Beavis and Butt-head* could exert a negative influence on those who watch it ("Cartoons that kill?" March 1994).

As defenders of freedom, we can agree that government should butt out of the business of policing our thoughts and art, or attempted art. We can also set aside the notion that representations of violence *per se* need be morally polluting; we'd have to stop reading Homer and Shakespeare if that were so, despite the enrichment we gain from such authors.

But we don't need to endorse censorship in order to consider the values and ideas that a particular novel or television show teaches. Ideas have consequences, and culture conveys ideas. Is *Beavis and Butt-head* nihilistic? I don't know, I don't get MTV. But every report I've gotten about the show indicates that it is bereft of standards and values — indeed, sneers at them consistently. Is its approach an ironic slap at the nihilistic young, or itself gleefully nihilistic? When I'm reading Rand, Twain, or other satirists with a positive perspective to offer, it is not hard to discern at least the broad outlines of the positive values informing the satiric critique.

Even within the compass of a brief editorial, it should be possible to provide a few clues from the actual evidence. If your editorialist believes that the show is actually conveying positive values by its satire, can he point to the details and approach of a specific episode to support

# Notes on Contributors

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his view? And if that's what the show is really subtly doing, is its intended audience able, or even expected, to "get it"?

And — isn't it at least barely possible that *Beavis and Butt-head* is thoughtlessly exploiting the natural rebelliousness of youth, rebelliousness that isn't always informed by positive alternatives? Isn't it at least possible that resentful kids and adolescents might instead imbibe the message, "Go ahead and giggle while you burn"?

I think it's entirely legitimate for a show to be sheer buffoonery without any big moral point to make. But I suspect something worse is going on here, that this is not quite in the Bugs Bunny category. Let's analyze it. Analysis is what I expect from a publication like *Liberty*, not just hooting at the yokels, concerned for some odd reason about what is being taught to their children.

David M. Brown  
New York, N.Y.

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(continued from back cover)

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