

# Liberty

July 1995

Vol. 8, No. 6

\$4.00

## Solving the Debt Crisis

How to end the deficit without cutting spending or raising taxes on a single American.

# Oklahoma City and Waco

*commentary by Stephen Cox, R.W. Bradford,  
Loren Lomasky, David Ramsay Steele, and Jesse Walker*

## Uncivil Disobedience

*by Pierre Lemieux*

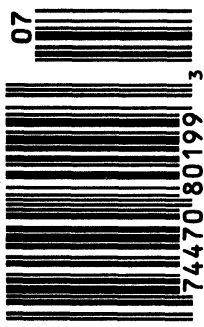
## The End of Ordinary Money

*by J. Orlin Grabbe*

## De-Inventing Government

*by Ed Crane*

**Also:** Wendy McElroy makes the feminist case against affirmative action, Richard Kostelanetz listens to the voices of anarchists past, Dale Steinreich dissects the "assault weapons" hysteria . . . plus other Articles, Reviews, and Humor



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# Letters

## Cutting Remark

I was disappointed to see the item (Clark Stooksbury, "Cutting back county hall," May 1995) taking at face value the *Los Angeles Times'* claim that the Reason Foundation has endorsed a short-term tax increase for bankrupt Orange County. This is most definitely not the case.

In fact, the Reason Foundation produced a detailed report outlining how Orange County could deal with its financial crisis without a tax increase — via downsizing its workforce, contracting out services, and selling off assets. Our study received extensive press coverage and became the centerpiece of debate during February and March, and portions of it are already being implemented.

The new county CEO has urged adoption of a "temporary" (ten-year) increase in the sales tax of one-half cent, which has sparked huge controversy in Orange County. In the initial days of this debate, a Reason Foundation administrative staff member was interviewed on a talk radio program and said, in response to a question, that he could not rule out a sales tax increase becoming necessary as a last resort to avoid default. This was seized upon by a *Times* reporter and became the basis for that newspaper's gloating editorial, quoted in your last issue.

My staff member's comment was inadvertent and unauthorized, and we quickly issued a strong statement repudiating it and reaffirming the recommendations of our report.

Robert W. Poole, Jr.  
Pres., Reason Foundation  
Los Angeles, Calif.

## Degenerate Orlin

I am shocked that "Feed the Children" by J. Orlin Grabbe (May 1995) found its way into *Liberty*. My efforts to find words to describe this story fall far short of expressing my feelings. The best I can come up with are "disgusting," "revolting," "degenerate," "degrading," "nauseating," and "repulsive." It offends every feeling of decency I have.

It is hard to believe that a magazine like *Liberty* would print such trash. *Liberty* is supposed to be dedicated to the

promotion of free-market principles. Was there anything in this story about such a creed? Well, maybe: the lead character had "taken economics" in school.

I have encountered many articles and stories in *Liberty* that I found interesting and useful. "Feed the Children" was not one of them. It won't take many more like that to cause me to cancel my subscription.

Bill Williford  
Houston, Tex.

## Schiff Happens

You and your writer, Jesse Walker, should be ashamed of yourselves. His attack on Irwin Schiff ("The shaft to Schiff," January 1995) puts *Liberty's* imprimatur on the IRS, the income tax, and the welfare state they finance. His article may be the best thing that happens to the IRS this year. Irwin Schiff, on the other hand, will be the worst nightmare the IRS has ever known if he receives the Libertarian Party's presidential nomination.

Jim Russell  
Shaker Heights, Oh.

## A Suppressed Letter

After reading Bruce Ramsey's "A World Parly Free" (May 1995), one might get the impression that Canadians enjoy the same free speech rights as Americans. Such is not the case.

Since 1985, German-born Canadian writer and publisher Ernst Zündel has been put through the legalistic hell of several trials over his controversial revisionist views of the Second World War. Whether one agrees with Zündel's views or deplores them is not the issue. Putting a man on trial for publishing views that some find offensive is the issue. There is no way that politically correct Canada is free the way most Americans think of freedom. No free society persecutes people for opinions that many find stupid, nasty, or wrong.

It isn't just Zündel who has run afoul of these laws. Several Canadian schoolteachers have been fired for revisionist activities, and in 1992 British historian David Irving was arrested and deported from Canada for giving a revisionist speech in Vancouver. Canadians cannot legally buy books, tapes, or videos on

history not approved by Canada's liberal establishment.

Sadly, many libertarians are too cowardly to defend these victims of political persecution. In fact, if this letter makes it to the pages of *Liberty*, I'll be truly surprised. Why is this? Revisionism is not "hate" (and even if it were, that would still be no excuse to outlaw it).

Let Ramsey call those of us who won't compromise our freedom "zealots." The truth is that Canada is a quasi-police state, and the good old U.S.A. isn't too far behind!

Mark Richards  
West Milford, N.J.

## That Damn Sucking Sound

I'm dumbfounded by R.W. Bradford's so-called analysis of the Mexican/Wall Street bailout ("Mexican Hayride," May 1995). How did he propose to analyze this scam without bothering to mention the setup for it? The entire NAFTA/bailout scenario, including peso devaluation, was exposed over a year ago, and widely circulated.

Evidently, those who swallowed Wall Street's propaganda find "crow" unpalatable and, now, are trying to separate NAFTA from its consequences in a vain attempt to minimize their own gullibility. Rather than practice duplicity while spouting Austrian economics, perhaps these dupes should just stuff wax in their ears when the boys, in banker's gray, sing the siren's song of free trade.

John Weaver  
Udall, Kan.

## From Cuba, With Disgust

It's tiresome to listen to moral arguments about not participating in politics. (John Pugsley, "Harry, Don't Run!" March 1995). If you don't want to get involved, that's fine — but don't hide behind "morality."

Americans hardly need to be persuaded not to vote. Most have already decided that politics is a dirty business and that they want nothing to do with it. The result is that only the dirty get involved in politics. Politics will continue to live up to its reputation for being "dirty" until the "clean" start getting seriously involved, send the professional career politicians back home, and bring back the era of the citizen-politician.

In Cuba, where I come from, many high-minded Cubans shared the Yankee

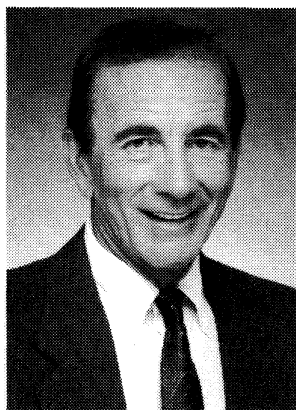
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opinion of politics. As a result, we got leaders like Batista and Fidel. A few years ago my mother's uncle expressed to me his regret that, as a young man, he had followed the "politics is dirty" line of thought and turned down an opportunity he had had to run for office. Now he can only express his regret in exile since, like so many Cubans, he voted with his feet by leaving his homeland.

I lived under Batista and Castro as a youngster and, as an adult, lived for five years in Haiti during the regime of Jean-Claude "Baby Doc" Duvalier. In Haiti, too, many honest citizens shrank from soiling their hands with dirty politics. The net result was tyranny. Living under three different dictatorships has convinced me that Pugsley's theory of non-participation is phony and should be relegated to the dustbin of history. I have already voted with my feet by coming to the U.S. Where should I go from here — Mars?

Lorenzo Gaztañaga  
Bethesda, Md.

### Necessary Monopoly

I would like to remind Wendy McElroy ("The Electoral Quagmire," May 1995) that not all libertarians are anarchists. Some of us believe government does have a purpose, the one that is laid out in the Declaration of Independence: to secure our rights. This proceeds from the nature of government, which is force. Force can only be used to secure rights or to violate them. Therefore, the only moral purpose of government has to be to secure our rights.

As long as government doesn't stray from this purpose, it is not a necessary evil, but a necessary good. Evil is never necessary. Anarchists argue that there is nothing government could do that would not be done better voluntarily, but securing rights is the one thing that can be done better by government. Good government is basically a monopoly

protection racket, in which those with a lot to lose pay for those who have little to lose, so everyone's lives and property are protected. Competition among protection rackets is not a good thing; just look at Russia or Somalia.

However, I agree that anarchists should avoid electoral politics. Leave the Libertarian Party to those who believe that government has a purpose, and know what it is.

Rick Brown  
Kingman, Ariz.

### The Pure Logic of Voting

While I very much admire Wendy McElroy's clear and insightful writing, I must disagree with her argument that voting is "an act of implicit violence," and that holding political office is a violation of libertarian principles.

It is impossible to see how casting a vote or holding office can in itself be an act of aggression. One who votes or holds office may also decide to explicitly assent to the acts of government agents and accept responsibility for those acts, but no such responsibility should be imputed without such consent. Others may wrongly conclude that one believes the state is legitimate, but one is not responsible for their mental processes.

As for the oath of office: yes, lie. After all, non-libertarian politicians do it all the time, so obviously the oath is not intended to be taken seriously. Moreover, you are under no obligation to tell the truth to those who hold you at gunpoint.

I am David, confronted by a seemingly omnipotent Goliath, who is cheered on with mixed emotions by most of my compatriots. My best shot is to befriend the behemoth — and then, as a fifth columnist, subvert and slay him. Shall I forego this option because of Ms. McElroy's arguments?

Richard D. Fuerle  
Grand Island, N.Y.

### Professional Ethics

In "Vocational Ethics" (May 1995), Robert Lee Mahon writes, "Knowing ethics and being ethical are not necessarily, or even probably, synonymous." Mahon also tells us that by the time he took his college ethics class, he had already acquired his own ethics, thus presumably showing that the class was unimportant to his development as a moral being.

This is a strange argument for a pro-

fessor of English to make. I imagine that Mahon's students come to his classes already reading and writing English. Does Mahon believe that they are wasting their time? While those "knowing ethics" may not be ethical, it is also well known that most teachers of creative writing cannot support themselves as authors. Does this make their enterprise a sham in Mahon's eyes? I hope that Mahon is able to defend the notion that it is possible to learn more and to become more critical in the use and appreciation of English, even after learning the basics of reading and writing.

Mahon also directs some of his animus toward consultants teaching business or other professional ethics. Apparently, for Mahon, there is right and there is wrong, and we know them when we see them, without the help of fancy consultants. "Ethical training has become a cottage industry, based upon the premise that ethics is more complicated than we previously believed." I wonder if this would be his attitude toward seminars in Medical English or Electrician's English, if the market were to produce them — but then he already has a job as a professor, and so might be able to afford consistency on this point.

In my experience with the seminar in ethics offered by my company, Mahon is incorrect to maintain that any special ethics is taught based upon the idea that technology has created new ethical problems never faced by Plato and Aristotle. (Nevertheless, technology *has* produced new ethical problems, but that is not the point I wish to argue here.) My company offers ethical instruction to its employees, in part to assist them in problem-solving, and also to improve communication among middle managers. The class uses examples taken from the work environment, not because of some special love of complexity, as Mahon would have it, but rather because the students are all managers. Learning a common methodology for approaching ethical problems is especially useful in large corporations that are seeking to present a consistent view of their corporate actions.

Mahon has overlooked this explanation in order to write his own trendy piece against a trend in business consulting.

Gordon Sollars  
New York, N.Y.

### 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

**New clowns, same circus** — Sen. Helms, reading from cue cards, misidentifies North Korean leader Kim Jong Il as Kim Jong the Second. Richard Armitage refers to a House of Representatives colleague as "Barney Fag." And Sen. Al D'Amato does an impression of a bucktoothed samurai judge that amuses few. Welcome to the new Republican Congress!

These next few years offer something of a controlled experiment in comparative political maladroitness. Which can do more damage to the Republic: a party dominated by crude and ignorant dolts or one starring clever Ivy Leaguers burning with zeal to do good? This is liable to be closer than any recent Super Bowl, but I'm guessing that for a while the Republicans will be a modest improvement — if only because they give the rest of us something to which we can feel intellectually and morally superior. —LEL

**No quarter** — Log onto the World Wide Web and call up the White House's home page. You will find a map of the Washington Mall, where most of the business of government is conducted. Clicking onto buildings in different quadrants gets you access to the one you want. The "quadrants" are self-described as being A through F.

No wonder they can't balance the budget. —WM

**Cherchez la harriidan** — Argentine president Carlos Menem had his wife barred from the presidential palace. Peruvian president Alberto Fujimori fired his wife as first lady. Now South African president Nelson Mandela has fired his wife from his cabinet and sent 60 police officers to raid her office. President Clinton? —DB

**Are they us or are we they, or none of the above?** — In the second turn of the French presidential election held on May 7, Jacques Chirac, candidate of a coalition of center-right parties, won 53% of the popular vote and defeated Lionel Jospin, the Socialist Party's candidate. The results were received by the politicians — "the political class," as they say in France — and apparently by the voters as the crowning of the new, unquestioned representative of the general will. "Our Father, which art in heaven . . ."

Is the state "us," or is it "them"? Here is a paradox for minarchist libertarians: the more the state is perceived as "us," the more people trust it and the more dangerous it becomes; on the contrary, the more it is viewed as "them," the less threatening it is — provided that "we" can control it. The standard opposition between European and American conceptions of politics follows this fracture line: in Europe, according to conventional wisdom, the state is "us"; in America, it is "them." Yet, it is not clear that liberty is in more immediate danger in France than in America. The French system of checks, balances, and healthy disobedience succeeds

in protecting some liberties. How is it possible that we (in France) disobey us more than they (in the U.S.) disobey them?

Twenty-year-old people in France have the impression of getting rid of socialism, after 14 years of the Mitterand presidency. On the one hand, this could lead to cruel disillusion as the new president and the government he appointed are far from libertarian. On the other hand, the new government does harbor a classical liberal minority, led by Alain Madelin, the new minister of budget, finance and economic affairs. Whether Madelin succeeds in swerving the dynamic of the French brand of statism may teach us much about the future, and strategy, of liberty. —PL

**Algorithm and blues** — On February 21, a federal lawsuit was filed seeking to prevent the government from regulating the publication of cryptographic documents and software. The plaintiff is Daniel J. Bernstein, a grad student in math at Berkeley. Bernstein has developed an encryption equation which he wishes to explain in mathematical journals and at scholarly conferences. Unfortunately, the government presently defines his algorithm as though it were a physical weapon. Disseminating his work may legally constitute dealing in munitions.

The current penalties Bernstein would face for publishing his algorithm could include ten years' imprisonment and a \$1,000,000 criminal fine, as well as civil fines. Perhaps the saying should be changed to "publish and perish." —WM

**Corporate banana** — A couple of years ago, Hollywood released an animated children's movie called *Fern Gully: The Last Rainforest*. I never saw the picture, but I did manage to discern its moral: *It's bad to cut down the rainforests, because magic talking animals live there*. It seems to me that there are good reasons to want to preserve rainforests, but that the fate of magic talking animals is not one of them — and that children who find *Fern Gully* convincing now might stop caring about the rainforests once they grow old enough to realize that, outside the borders of California, there are no magic talking animals.

Yesterday I bought a drink called Fruitopia Strawberry Passion Awareness. On the bottle was this thought-for-the-day: "If you can't judge a fruit by the color of its skin, how can you judge a person that way?" It immediately occurred to me that this suggests that, if one *could* judge a fruit by the color of its skin, racism would be perfectly all right.

Which is a problem, since I am probably not the only person in the world who avoids green bananas and any fruit that is brown. I hope I'm also not the only person in the world who recognizes that the Fruitopians' logic is a little skewed.

Many "progressives" believe the planet would be a better place if corporations had more of a social conscience. Given

this track record, I'd say we'd all be better off if they just stopped trying. —JW

**Joplinomics** — I really enjoy the Mercedes-Benz commercial featuring Janis Joplin singing, "Oh Lord, won't you buy me a Mercedes-Benz." Andrew Goldberg, Mercedes' general manager of integrated marketing and communications, has explained why they used the record: "What appealed to us was the warmth and personality of the song itself." Satire is, apparently, a subtle thing. But critics who charge that the ad campaign perverts the message of Joplin's hymn against materialism and bourgeois decadence also miss the point. Are we not all "postmoderns" now? The ad's reference-without-a-referent suggests that the joke may be on the consumer.

Goldberg denies this, arguing that the song's "emotional, nostalgic connection" appeals to the cash-heavy fiftyish male market Mercedes is aiming at. But critics see Madison Avenue and big business subverting another '60s counterculture icon, just as Nike did in the 1980s by using the Beatles' "Revolution" to sell sneakers.

Oh, so the Beatles never made any money on "Revolution," right? Those record companies just gave the vinyl to the people, man. And Janis Joplin, she never took a check from anybody. She didn't need royalty checks to score her heroin — people just gave it to her.

Janis Joplin *was* big business. Her records were commodities. Her image was a commodity. Her songs were recorded, pressed, and distributed because they sold — and for no other reason. Record companies were not minstrels of the revolution; they were out for profits. They sold the '60s kids what they wanted then — and Mercedes is selling the '90s adults what they want now.

In 20 years, Johnny Rotten will hawk Jaguars. —JSR

**Naughty bits** — On March 22, the office of Sen. Larry Pressler, chairman of the Senate Committee on Commerce, Science and Technology, received a couriered package of approximately 1,000 pages containing 107,983 signatures, all in protest of S 314, the Communications Decency Act of 1995. The petition had been circulated by an unparalleled coalition of groups as diverse as the Voters Telecommunications Watch, the CyberQueen Lounge, and Rock Out Censorship. There would have been still more signatures, but the coalition was fighting a March 15 deadline.

Pressler's office was flooded with so many phone calls that a staff member finally exploded at one concerned caller: "Why are you calling us? It's Exon's bill!" Other members of the Senate Committee on Commerce had to bring in outside help to answer their squawking phones.

What had sparked all this protest? On February 2, Sen. Jim Exon (D-Neb.) had introduced S 314 with these words: "I want to keep the Information Superhighway from resembling a red light district. This legislation will stop those who electronically cruise the digital universe to engage children in inappropriate communications. . . ." The provisions of his bill would have made employers,

service providers, and carriers legally liable for the transmission of prohibited communications, such as those involving graphic sex.

The Act, it was claimed, would merely strengthen existing law covering telephone calls. This was not quite accurate. The Exon bill would prohibit many currently legal practices and fling open the Internet door to criminal prosecution.

Current law — Sec. 223 (a), Communications Act of 1934 — already prohibits "obscene, lewd, lascivious, filthy, or indecent" transmissions over the phone lines. The Exon bill would have extended this prohibition to *all* telecommunications. It also would have made transmitting obscenity — rather than originating it — a criminal offense. For example, if an employee transmitted an obscene message from his work computer, the employer, the e-mail service, and the carrier could each be subject to a \$100,000 fine and two years' imprisonment. This is comparable to making Ma Bell criminally liable for obscene phone calls.

Actually, it is much worse. Telecommunications servers break every message down into separate digital packets, which are transmitted over phone lines and only reassembled at the destination. Until reassembly, the individual packets are not readable. Some have compared the process to shredding a letter, mailing the individual pieces, and putting them back together at the new address. Short of monitoring every receiving computer, it is impossible for the carrier to control content.

Chafing under a barrage of protest, Sen. Exon modified his bill to exempt carriers from criminal liability — and to increase restrictions on those who originate telecommunications. On March 23, by a unanimous vote of Congress, the former stand-alone bill became an amendment to the telecommunications reform bill, a measure already well along the congressional fast track. —WM

**Crazy Willie's auto sale-a-thon!** — Japan has opened its borders to American automobiles and automobile parts. Most tariff and bureaucratic restrictions are long gone, but the Japanese still don't buy very many American cars and Japanese manufacturers don't buy many parts from American manufacturers. Needless to say, America's automobile industry leaders, anxious to line their pockets with valuable Japanese yen, would like this to change.

Toward this end, they have enlisted the Clinton administration. Not satisfied with the mere removal of barriers, the administration is insisting that the Japanese buy specific quantities of American automotive parts. The administration has called for the Japanese to guarantee that they meet "voluntary" targets for purchasing parts from U.S. manufacturers. The Japanese automotive industry, already depressed, has reacted to this in about the same way as American automotive companies would react if they were asked to include a certain quantity of parts produced in Paraguay.

The Japanese government has refused to impose this automotive affirmative action on its citizens and manufacturers. So the Clinton

### Liberty's Editors Reflect

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JSR	James S. Robbins
JSS	Jane S. Shaw
TWV	Timothy Virkkala
JW	Jesse Walker



administration has made it virtually illegal to import Japanese cars that cost more than \$25,000.

In other words, Americans who want to drive cars that cost 20% more than the average new car will have to choose among American behemoths or European dinosaurs and sportscars. And Japanese automobile manufacturers will be prohibited from selling their higher-quality cars to Americans. Bill Clinton will gain votes in Michigan, Ohio, and Missouri, where the American automobile industry is influential.

In the May *Liberty*, I chronicled the Clinton administration's test of this sort of trade skirmishing in a dispute between China and some of the administration's most powerful supporters. It is cases like these, lacking even a pretense of justice or rationality, that lead to trade wars. Let us all pray for peace, in the form of intervention against the Clinton administration by the World Trade Organization. —RWB

## An American life: act six

— Robert McNamara, accurately tarred by *The Washington Monthly* with being "responsible for four of the six major post-war catastrophes" (the Vietnam War, the nuclear arms race, the Third World debt crisis, and the conventional arms market — they forgot the Edsel), has come clean with some of his regrets over his monstrous disaster of a life. For some reason, this is treated as a major news story, though it is really only advertisement for his book; even his best gimmick, his tears, were revealed to an earlier biographer, Deborah Shapley, years ago.

But it does provide opportunity for reflection on one of the most false of American proverbs, Scott Fitzgerald's "There are no second acts in American lives." America is willing to provide almost infinite opportunities for failing. From the Edsel to Vietnam to the World Bank to well-received tearful recriminations, McNamara, exemplar *par excellence* of the managerial welfare-warfare state, keeps on trucking. Needless to say, he has always been wrong about everything, and caused enormous damage in doing so. Needless to say, his opportunities to make decisions kept coming. He was the right kind of people, you see — and those credentials!

Unfortunately, instead of being stoned in a public square, he is honored for his strength and integrity in trying to sell his book. Upon his death, I'm certain that the major news-magazines — the periodical equivalents of everything he stood for — will solemnly eulogize his tragically flawed greatness. A quotation from Bob Dylan's "Masters of War" might be apposite here, but the man has family. —BD

**A prophecy comes home to roost** — On May 20, the White House closed Pennsylvania Avenue to vehicular traffic, to protect the president and his household.

This came only a few months after the senior senator from the Tar Heel State was publicly ridiculed for suggesting that the president could not enter his state without an armed bodyguard. —CAA

**Contract for liberty?** — One reason (perhaps the only one) that Newt Gingrich will go down in history as one of the greatest of American politicians is his "Contract with America," which brought real content back into the political debate.

From the beginning of the two-party system until earlier this century, there were real and perceptible differences between the programs of the two major political parties. These differences were widely publicized and understood.

But during this century, each political party became a coalition of interest groups whose goals often conflicted with one another. It was difficult to reconcile the legislative agendas of the southern racists and northern union members of the Democratic Party, or the small-town Main Street businessmen and big-city plutocrats of the Republican Party, so political platforms fell into irrelevance. They became a sort of religious ritual hotly contested at anachronistic political conventions and utterly forgotten during the campaigns.

Gingrich changed that by creating a specific agenda of legislative actions and convincing nearly all GOP congressional candidates to sign on. That is why the Republican victory in 1994 left Gingrich the most powerful man in Congress, and why the Contract with America became the nation's legislative agenda. If there ever were an



Robert McNamara

electoral mandate, this was it.

All elements were test-marketed before being included in the Contract. Gingrich had opinion polls taken for every single proposal, and only those with clear popular majorities were included in the agenda. That is why, for example, certain favorite conservative causes were conspicuously absent. An anti-abortion plank, for example, was omitted because most Americans favor legal abortion. This "pre-marketing" made the Contract a far easier sell than the Democrats, who ridiculed it as the "Contract on America," could fathom.

Now along comes the Christian Coalition with its "Contract with the American Family." It calls for guarantees of religious "freedom" (allowing, for example, public expressions of Christian faith in the public schools and in courts), tax credits to families, an end to funding of the National Endowments for the Arts and the Humanities and the Corporation for Public Broadcasting, requirements that

criminals make restitution to victims, legislative encouragement of charitable giving, censorship of pornography, and restrictions on abortion. Like Gingrich's contract, this proposal was tested in polls. As a result, it is far more moderate than one might otherwise expect from fundamentalist Christians. The restrictions it proposes on abortions, for example, apply only to abortions during the third trimester.

The creation of the Contract with America and the Contract with the American Family illustrates the fundamental problem that libertarians face when engaged in politics. Suppose the Libertarian Party were to try to write a "Contract for American Liberty." What sort of specific proposals could past muster with the pollsters? Sure, Americans will agree to general libertarian principles (provided they are not stated too harshly), but how many really want to cut taxes radically, let alone *eliminate* them entirely? How many want to legalize all drugs, including hard drugs? Or open our borders to totally unrestricted immigration? Just what specific programs that are radical enough to garner libertarian support would be supported by most Americans?

It is the fundamental unpopularity of the libertarian agenda that accounts for the failure of libertarian politicians and provides the incentive for libertarian politicians to moderate their views. Those willing to moderate their views may find electoral success, though they will not likely have much success in enacting a libertarian agenda. If libertarians insist on measuring success only in electoral terms and define themselves only in radical terms, then they are doomed to fail.

So what's a radical libertarian to do? The radical libertarian can eschew electoral activism and focus on broader cultural or intellectual activity. Or pursue politics as a purely educational or movement-building activity without seriously entertaining the fantasy of victory. —CAA

**Postal Employment Syndrome** — I'm not sure what it is about the Postal Service that leads so many of its employees to, uh, "disgruntlement," but I've a pretty good idea why it hasn't been able to take many effective measures to prevent further post-office massacres.

Thomas Lussier, a Maine postal worker, was fired shortly after the 1991 Royal Oak, Michigan, post-office shootings because his supervisor believed he was "mentally unbalanced and capable of a Royal Oak-type incident." Last year, a federal judge ruled that this dismissal was illegal because

Lussier's "mental disability" is protected by federal anti-discrimination regulations.

I got this story from the April 5 *Wall Street Journal*. There's a lot of ammunition in that article for those of us with a Szaszian skepticism about psychiatry. Consider this comment from attorney Robert Provan: "It's often difficult to distinguish between what conduct is the result of a mental disability and what conduct is a result of generally unacceptable behavior." Ignore the question of how "behavior" causes "conduct," and you're still left with a puzzle. Since the only diagnostic tool we have for recognizing a "mental disability" is "generally unacceptable behavior," how on Earth could it only be "often" difficult to distinguish one from the other?

It sounds to me like the only distinction Provan can make is between deviant behavior that psychiatrists have already categorized as an illness and deviant behavior they have not yet so classified. Who'd have thought so much legal power rests with the editors of the *Diagnostic and Statistical Manual of the APA*?

A box accompanying the article featured a list of ways employers may choose to reduce workplace violence, and the legal problems that may follow:

Method: Fire dangerous employee

Pitfall: Liable for discrimination

Method: Give job applicant psychological test

Pitfall: Invasion of privacy

Method: Ask applicant about mental problems or past drug abuse

Pitfall: Violation of anti-bias laws

Method: Ask references about past episodes of violence

Pitfall: Reference can be sued for slander [!]

Method: Check criminal records

Pitfall: Access limited in some states

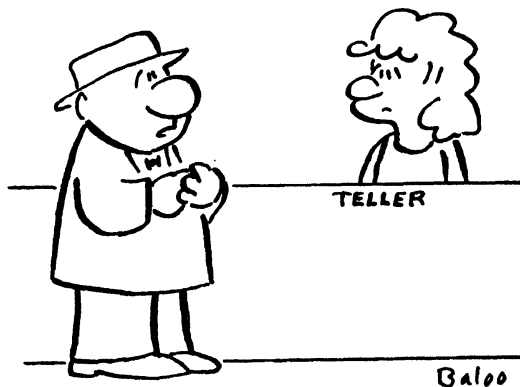
Method: Do nothing

Pitfall: Liable if employee becomes violent

In short, don't hire anyone at all. Somehow, I don't expect the Post Office to take that approach either. —JW

**From sea to private sea** — Democracies don't wage war on democracies. This is standard wisdom among certain foreign policy analysts, and there is some truth to it. I was thus intrigued by the confrontation between Canada and Spain (and the EU) over fishing rights in the outer banks near Newfoundland. Spanish fisherman were overfishing the area, and Canadian naval vessels were sent to intercept and impound the Spanish fishing boats. When the EU protested on behalf of Spain, Canada sent out a destroyer and threatened further action. One problem: the area is outside Canada's territorial waters. I was reminded of another such confrontation between democracies, the "Cod War" between Denmark and the United Kingdom in the 1970s. Again, ships from democratic nations faced each other in hostility over fishing rights.

Should we amend the democratic international non-aggression axiom to except fishing disputes? Well, actually these confrontations prove the rule. The reason liberal democracies don't go to war is that they have erected mechanisms to adjudicate international disputes, mechanisms based on



"I cut myself on a safety-deposit box."

rights, contracts, and agreements. In this case, there is no clear ownership of the seas in question, and certainly not of the fish. Thus there is no basis for either side to make a legitimate claim to the fishing grounds.

So maybe it is time to consider bringing property rights to the three-fourths of the Earth's surface not currently claimed by private owners. —JSR

**Strike four** — In early April, a federal judge ordered an end to the baseball strike. By late April, the "real" big-league players were back on the field throwing and batting balls about, and the "real" owners were in their counting houses, counting all their money. The only thing missing from the picture was the "real" fans. Many stayed away from

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*The notion that people earning \$1 million per year would expect a \$5-per-hour peanut vendor to honor their picket line, while being unwilling to reciprocate, is simply obscene.*

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ballparks altogether. Others found more colorful ways to protest. In Detroit, for example, fans turned (in the words of *USA Today*) "drunk, ugly and mean." They screamed insults at players on both teams, and threw bottles, hubcaps, and beer cans at players.

The judge ordered the new season to be played under the same terms as the previous season, terms that were unacceptable to both owners and players. So the strike that did what neither World War, nor Great Depression, nor San Francisco earthquake could do — prevent a World Series — accomplished nothing at all.

During the strike, despite the fact that major-league baseball was not operating, the owners met to authorize yet another expansion. Why did they make such a decision under such peculiar circumstances? Because the authorization of a quarter-billion-dollar subsidy from the city of Jacksonville, Phoenix, St. Petersburg, or some other goddamn stupid city was about to expire.

Then, as the season approached with no progress toward a resolution of the strike, the owners cobbled together "replacement" players to man their teams. Did they use the best talent they had available? No way. The best players they had available were those already under contract but playing in the minor leagues. But these players were left in the minors and grossly inferior players were signed. Why? Because five years after a player under contract with a major-league team first plays in the big leagues, he becomes eligible for salary arbitration. So the owners let the fans watch furnace repairmen and elevator operators and hardware store clerks rather than talented but inexperienced players. This is contemptible.

The players were no better. They protested mightily when ballpark vendors decided to work despite the players strike, but willingly crossed the picket lines of striking umpires. The notion that people earning \$1 million per year would expect a \$5-per-hour peanut vendor to honor their picket line, while

being unwilling to reciprocate, is simply obscene.

In short, my prayers have been answered. I celebrate the fact that fans are abandoning their game, and hope dearly that baseball is losing its hold on the American psyche. This is a necessary precondition for its return to the robust health of its earlier days, when players actually loved the game and played to win, not to amass dollars and statistics; when owners competed to field the best teams they could, not to obtain the largest possible government subsidies for their hugely profitable businesses. —RWB

### **Third down, Beethoven's Fifth to go** —

Confession: I do not follow sports. I understand that baseball is back from the brink; big deal. Something recently occurred in my corner of the country regarding basketball; I do not even know whether it was professional or collegiate. The football season is over, I think, but this means nothing to me. Since I get cable, I have plenty of ways to avoid watching any sport. I have even programmed both my VCR and my television to skip ESPN. I can honestly say that not one of my desires or wants is dependent on any sport or sports figure.

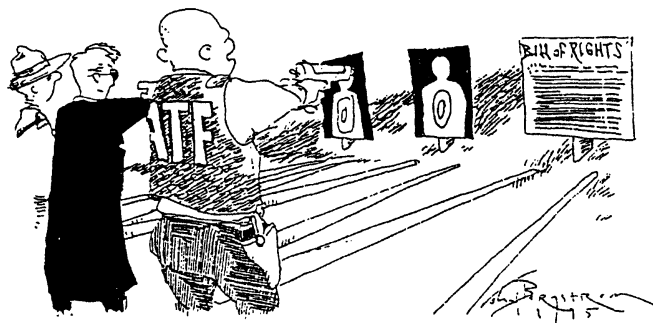
Concession: I do follow politics. This means, my friends tell me, that I must understand *something* of the irrationalities of team affiliation, the excitements of partisan conflict, the love of the minutia of transitory play — if only by analogy. Yes, I suppose. But there are major differences.

Consider: politics affects real life in important ways. My interest in politics is thus reasonable, if viewed as an instrumental interest. And I think my interest is, in great part, a response to the importance of the subject. Proof? I often cannot abide actually listening to politicians speak — that is, observing the "players" go about their dangerous game. But I do enjoy listening to and watching people analyze the activity.

Sports fans do not seem to have a comparable set of preferences. For all their love of post-game analyses and Monday-morning coaching, they still like to watch the actual game being played. But I often press the mute button when Bill Clinton, Newt Gingrich, that Elmer Fuddy-duddy Texas senator, or Ted "I'm not greedy, I'm horny" Kennedy takes the mike to speak.

But I could be wrong. When I visit my relatives and the weekend (or holiday) sportscast blares its presence throughout whatever TV-dominated living room I find myself in, rarely is my suggestion heeded: Why not turn off the sound and turn on the music? You can still watch the game, and we wouldn't have to listen to all the pointless blather!

Recently I have begun taking my own advice. Whenever



the politicians get unbearable, I switch my home entertainment system's audio from the video input to the CD input, and listen to music instead of lies. There's a sort of primitive justice to Darius Milhaud's *L'Homme et son désir* providing the soundtrack for Bill Clinton's VE day speech; similarly, Aulis Sallinen's Fifth Symphony ("Washington Mosaics") offers perfect counterpoint to the arrogant ramblings of yet another Republican presidential hopeful. And you can even learn something in the process. What have I learned? Well, that Bill Clinton looks more and more like Boris Yeltsin every day, and that Arlen "the Republican who is haunting America" Specter now ominously sports the jowls of Richard Nixon. I doubt that I would have noted these signs of the times had I dutifully doted on their every word.

Of course, such transformations should not shock us; we have all read *Animal Farm*. But, as politics gets weirder and weirder, you might want to follow my example. Turn up the volume, not on the intonings of some putative statesman, but on a good performance of *The Carnival of Animals*. Or try *Cantus Arcticus*, an exquisite "Concerto for Birds and Orchestra" recently released on the BIS label. Believe me, in this Orwellian age, composers Camille Saint-Saëns and Einojuhani Rautavaara offer the best respite from the barnyard din of politicians.

And from the sportsification of everyday life, too. —TWV

**John Chamberlain, 1903–1995** — John Chamberlain, man of letters, author, journalist, columnist, and book reviewer, died on April 9. He was 91 years old. John was a wordsmith extraordinaire. But he was more than a skillful literary stylist; he had a message. In his many books, columns, and reviews, he presented the case for private property, limited government, and entrepreneurship. In *The Roots of Capitalism* and *The Enterprising American*, he wove free-market ideas and tales of innovative entrepreneurs into a rich tapestry of economic history. His reviews were better than most of the books he reviewed. His delightful prose and his quiet, unassuming manner made many friends for freedom.

Chamberlain was not always a free market spokesman. For four years (1932–1936) he read a book every day and wrote the *New York Times* daily book review. During this time, although he never succumbed to the lure of Communism, he was anti-big-business, flirted with socialism, and considered himself "a literary liberal." But he was shocked when he overheard the *Times*' Moscow correspondent, Walter Duranty, casually dismiss the three million deaths caused by the Communist attempt to eliminate the kulaks: "You can't make an omelette without breaking eggs."

After Chamberlain left the *Times*, his ideas began to change. He interviewed, for *Fortune*, a number of corporate executives and found they did not fit the anti-business stereotype; they were individuals — varied, complex characters. Also, his innate distrust of big government had increased with his reading, interviewing, and research. Three books by three women, all published in 1943, helped turn Chamberlain from "left-liberal" to "libertarian": Rose Wilder Lane's *The Discovery of Freedom*, Isabel Paterson's *The God of the Machine*, and Ayn Rand's *The Fountainhead*. "These books made it plain

that if life was to be something more than a naked scramble for government favors, a new attitude toward the producer must be created." And respect for the producer, for the entrepreneur, and for individual freedom of choice were henceforth constant themes throughout Chamberlain's work.

In the course of his decades of writing and reporting, Chamberlain researched many fields — corporations, labor unions, politics, economics. He interviewed many colorful figures: politicians (Wendell Willkie), athletes (Ted Williams), generals (Douglas MacArthur), and many, many more. Chamberlain was also an ardent sports fan. He spent one exciting summer, just after Jackie Robinson joined the Brooklyn Dodgers, reporting on baseball.

His keen reporting led to some important revelations. President Roosevelt had slandered the famous aviator Charles Lindbergh as a Nazi-lover because of his visits to Germany shortly before World War II and his pre-Pearl Harbor antiwar stand. Chamberlain discovered that the U.S. government itself had asked Lindbergh to study Nazi aircraft and to try to help the German Jews; his report appeared on page one of the *Times* and helped vindicate Lindbergh.

During World War II, Chamberlain learned that over a year before the attack on Pearl Harbor, U.S. cryptographers had decrypted MAGIC, Japan's super-secret diplomatic code. Thus he realized that U.S. officials had been privy for months to many of the Japanese government's most secret communications and almost certainly knew the Pearl Harbor attack was imminent, yet did not alert the Pearl Harbor command-

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*During World War II, Chamberlain realized that U.S. officials almost certainly knew the Pearl Harbor attack was imminent, yet did not alert the Pearl Harbor commanders. For the sake of military security, Chamberlain kept this secret while the war lasted.*

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ers. For the sake of military security, Chamberlain and his boss at *Fortune*, Henry Luce, kept this secret while the war lasted.

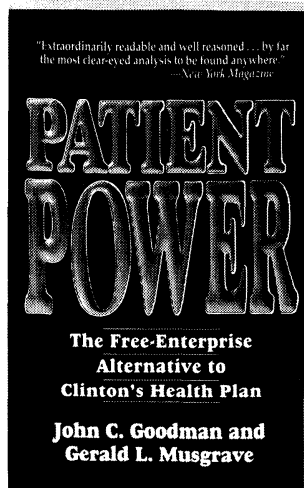
Along with Henry Hazlitt, Chamberlain founded *The Freeman* in 1950 as a biweekly newsmagazine. Then, after *The Freeman* became a monthly and was taken over by the Foundation for Economic Education in 1956, John was its regular book reviewer until his death.

John's long life was spent reading and writing; his autobiography was appropriately titled *A Life with the Printed Word*. But he enjoyed a happy family life too. After his first wife died, John was left with two teenaged daughters. The girls were studying dance with Ernestine Stodelle, the widow of the internationally known theater director-designer, Theodore Komisarjensky, and a former member of Doris Humphrey's dance troupe. The girls suggested their father marry their dancing teacher. Ernestine had three children of her own, and before long John and Ernestine were married. In time, John and Ernestine had a son of their own. John



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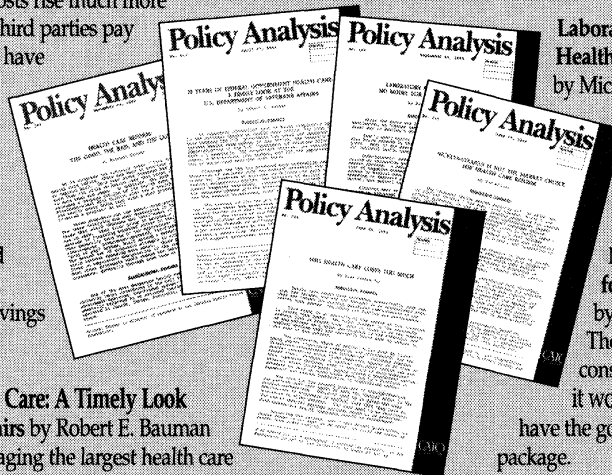
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camped and skied with all six young people and taught them tennis.

John had many friends, no enemies, and a loving family.

He is survived by his wife, two daughters, one son, two stepsons, one stepdaughter, nineteen grandchildren, and three great-grandchildren.

—Bettina Bien Greaves

# Medianotes

**Mao more than ever** — Want to relive those heady purge days? How about the ribbon-cutting ceremony for the Cultural Revolution? Or — my personal favorite — the 1981 arrest of the Gang of Four for treason? A 46-year run of *The People's Daily*, mouthpiece of the Chinese Communist Party, is now available to you on 92 CDs at the price of \$19,800.

Deputy editor Zheng Mengxiong heralds the preservation of "precious historical material." Making a profit, he assured the curious, was secondary. \$19,800? —WM

**After apartheid** — Up until last year, it often seemed as if left-wingers, when discussing the crimes of African governments, would only focus on South Africa, then ruled by whites and thus an easy target. The horrid records of black African governments were virtually ignored, the problems of those countries being chalked up to colonialistic residue and the like — anything white or Western. Guilty white liberals could thus avoid blaming the victim, "leading" African Americans could keep their illusions in place . . . and African kleptocrats could continue pillaging their subjects without much worry of a backlash.

But in mid-April, the Pacifica news network devoted a few sympathetic moments to protests being held by blacks in front of the Nigerian embassy in Washington. Not only were complaints voiced about the shoddy treatment the common Nigerian suffers at the hands of the government, but one protester drew an explicit parallel between the Nigerian despots and the apartheid oppressors, saying that the only difference between the two is skin color.

To have made such a comparison just a few years ago would've been the most extreme heterodoxy. But today, I hear it on Pacifica, a network I swear sometimes thinks all the world's problems are caused by the U.S. embargo of Cuba. And while I don't think we'll be seeing Denzel Washington starring in a film about Nigerian oppression any time soon, and while I know Pacifica is hardly mainstream, perhaps this portends more honest discussions of the suffering caused by African governments. —ML

**Operation Restore Chaos** — The U.N. has left Somalia. The general media consensus is that the absence of multinational peacekeepers will plunge that country back into war. They're right, but for the wrong reasons.

In the Spring 1995 *Forbes MediaCritic*, former USAID food monitor Michael Maren explained the real effect of the U.N. intervention in Somalia: "UNOSOM's protective umbrella was shielding a massive arms buildup, and UN supplies were being looted to finance it. . . . Aided by numerous corrupt peacemakers, the factions began stockpiling goods for future

battles." The "peace agreements" negotiated by the United Nations didn't do much to hold off those battles: "What the UN failed to realize, or refused to acknowledge, was that, because of its reputation, its very participation in a peace process nullified agreements in the eyes of the participants. In contrast, agreements that the Somalis hammered out among themselves, usually after a dose of bloody confrontation, seemed to hold." Maren doesn't mention it, but the prospects for lasting peace are best in the northern republic of Somaliland, where grassroots peace efforts were unhindered by U.N. interference, simply because local forces did not allow the blue-hatted troops to cross their borders.

And so, "With the two factions now rearmed, mostly through UN supplies and money, the death toll is likely to rise. Already, hundreds of people have been killed in intensified fighting that started in November." Thanks, Mr. Boutras-Ghali.

Many in the press now acknowledge that Operation Restore Hope was a mistake, but few seem to understand why. Rare is the *Time* article or CBS report that treats foreign aid as anything but Western benevolence, or that recognizes the initiative and local wisdom of the Third World poor, or that sees famine as caused by anything other than the vagaries of the weather.

Throughout the Somalia intervention, Michael Maren has been one of the loudest and wisest dissident voices in the English-language press. Only Rakiya Omaar and Alex de Waal of the human rights group African Rights have produced equally incisive critiques of the U.S./U.N. occupation and the policies that led up to it. Credit is due *Forbes MediaCritic*, *The Village Voice*, *Africa Report*, and the other motley media outlets that gave them space to make their case. —JW

**It's not easy seeing green** — H.L. Mencken once described the journalist's job as "snouting out and exhibiting new and startling horrors, atrocities, impending calamities, tyrannies, villainies, enormities, mortal perils, jeopardies, outrages, catastrophes — first snouting out and exhibiting them, and then magnificently circumventing and disposing of them."

I've always known that journalists snouted out the horrors, but only recently did I see a journalist disposing of them.

In 1989, Bill McKibben published a celebrated book called *The End of Nature* (preceded by an equally famous *New Yorker* article of the same name). McKibben contended that the advent of global warming, ozone depletion, and acid rain marks an unbreachable division in human history. Human beings have so insidiously affected their world that nothing is untouched and, as a result, "there's no such thing as nature

*continued on page 68*

# Innocent Bystanders?

*by Stephen Cox*

The media's double vision has never been more apparent.

They may have felt nothing, most of them, after the first moment of blinding, inexplicable pain, as the familiar walls, floor, and ceiling rushed in on them, obliterating consciousness. I hope they felt nothing, though I realize that some of the people who, a moment before, had been idly chatting or beginning their daily business in the federal office building in Oklahoma City, Oklahoma, would awaken to find themselves trapped and broken in the concrete ruins, and most of those who awakened would die before any help could reach them.

As for the others, the men, women, and children who died two years before in the church compound at Waco, Texas — did they suffer more because they saw their deaths approaching? Week after week, as food ran low and calls for help to the outside world ("We Want the Media" was the sign they hung on the compound wall) proved unavailing, the scent of death must have grown almost as strong as the smoke that finally overwhelmed them when the tanks moved in and the people cowered together in their burning house. But some of them may have been burned alive.

In juxtaposing the two atrocities, Waco and Oklahoma City, am I engaging in an exercise in moral equivalence? No. Suffering of either kind can hardly be imagined; no comparison of sufferings can lead to anything but horror. Neither can the guilt of those responsible for one incident be accurately measured against the guilt of those responsible for the other, not

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until we can imagine the thought processes of people who could cold-bloodedly, indeed self-righteously, prepare such sufferings for others.

What we can compare is the responses that the two incidents received from the nation, at least from its vocal and governing classes. A young woman of my acquaintance found a precise index of comparison in the most widely-circulated picture to emerge from the Oklahoma City disaster: a photo of a rescue worker cradling in his arms the broken body of a tiny child. Struck by that picture and by its omnipresence in the media, my friend sent me the following e-mail message:

Not to understate the horror of either group of victims, but I don't recall pictures on the news of burned babies dug out of the Branch Davidian complex, or video of the families of the Branch Davidians crying in the arms of the firemen who tried to rescue the victims. Well, I guess the point is that no one was trying to rescue the people in Waco.

That's one good point. Another is that the mainstream media, traditionally so eager to sensationalize all suf-

fering, and to invent it even where they do not find it, have made no attempt to sensationalize either the victims of Waco or the fact that they died without rescuers. The media remain at an emotional distance from Waco, and they remain there because they want to, just as they remain at a peak of hysteria about the Oklahoma City atrocity — because they want to.

For a full three weeks after Oklahoma City, television news and the above-the-fold sections of the daily newspapers were fully occupied by the terrors of the bombing and its aftermath. The nation was deluged by pictures of bleeding victims, grieving families, desperate rescuers, and politicians showing up for their share of the spotlight. The critical faculties of media pundits were wholly occupied by such profound questions as, "Will America ever be the same again?"

Dazed Oklahoma citizens were enticed to comment on the astonishing fact that bombs could be exploded in the state of Oklahoma. Distracted citizens of New York were encouraged to say that they regarded terrorist bombs as part of the natural order of things in their own state but that they suffered panic attacks when they heard that

bombs had been detonated elsewhere.

Cameras dwelt lovingly on the hosts of alleged psychologists who fanned out across the country to help schoolchildren heal their emotional wounds by talking about death and drawing pictures of explosions. Alleged FBI experts on "right-wing movements" were solicited to explain the motives of the perpetrators of the Oklahoma City bombing, and their

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*The media remain at an emotional distance from Waco just as they remain at a peak of hysteria about the Oklahoma City atrocity — because they want to.*

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explanations were received respectfully even after they blandly confessed that they didn't know who did it and had no acquaintance with the particular "movements" under suspicion.

A Texas congressman received a weird fax that seemed to be related to the bombing; he turned it over to the FBI. The next day, one of his staffers sent a copy to the National Rifle Association, whose position on gun laws had been supported by the congressman. When the media learned of this, they implied that both the congressman and the NRA might be associated with the bombing itself. When the congressman held a press conference to display a memo from the FBI that cleared him of any such associa-

tion, he was mercilessly hounded by reporters who obviously refused to believe that he, a politician who opposed gun restrictions, might actually have had nothing to do with a bombing.

Not content with suggesting the worst about individuals and political groups, the media turned on America itself. "Bomb Points up Simmering Hate in the Heartland" — lead headline, *San Diego Union-Tribune*, May 7. This is what a large metropolitan daily apparently considered urgent news nearly three weeks after the Oklahoma City bombing. The article underneath the headline was the by-now-customary paranoid attack on "paranoid" politics: a weird but regrettably typical commentary on supposedly expert opinion arranged so as to link "right-wing populist violence" with such dangerous things as "economic restructuring," "desk-top publishing, the Internet, videocassettes, and shortwave radio" — not to mention, of course (and this is the pay-off) "opposition to government, taxes, gun control, welfare. . ."

These "issues," the *Union-Tribune* reported, are "powerful, violence-sparking wedge issues" in contemporary America. The implication is clear: if you don't want to drive a "wedge" or provoke "violence," you shouldn't bring these issues up.

Meanwhile, during the long, long crisis that supposedly gripped America's heartland, the president was given daily and sometimes thrice-daily opportunities to disgorge his own astonishing supply of self-serving cant. He was constantly on the tube, ranting

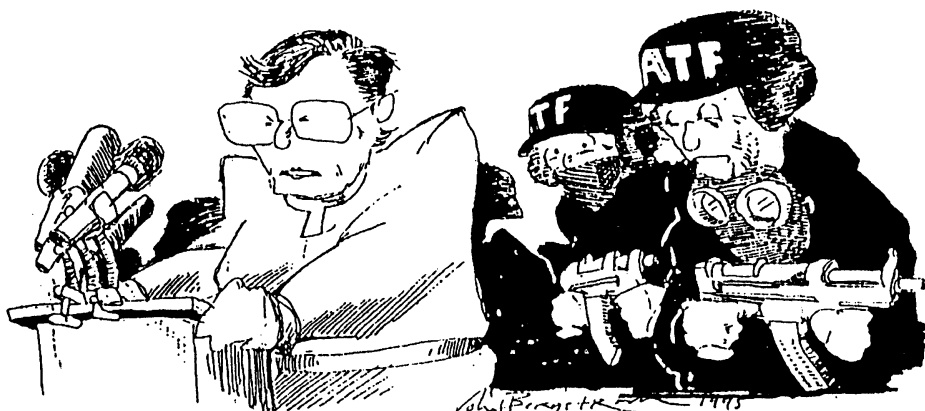
against "violent speech," deploring the evils of "evil," and (on a day when he gave testimony to investigators concerned with his relationship to the Whitewater scandal) consoling little children by telling them that there are more good people in the world than bad, and that the bad people will certainly get punished.

I hope that he is right about that, but the results of the Waco atrocity have furnished precious little evidence to support his view. Congressional and Department of Justice investigations of the government's attack on the Waco cultists produced a few references to mistakes and bad judgment. Such investigations amount, on balance, to legitimization. But the most important legitimizing acts had already been performed by the media. You won't need all your fingers to count the number of nationally prominent, media-friendly people who expressed sympathy for

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**The Voice of Reason** — For a day or two after the Oklahoma City bombing, the three television networks and CNN and their "terrorism experts" assured us that the crime was the work of Middle Eastern terrorists, backed (of course!) by Iran-led "Islamic Fundamentalists." CNN and other media reported that the FBI was looking for two "Middle Eastern suspects," while pro-Likud neocons such as the *New York Times'* Abe "Out of My Mind" Rosenthal were demanding the U.S. bomb Teheran and what was left of Baghdad. And maybe also Damascus, since we were in the area anyway.

CBS, riding on the anti-Islamic wave and trying to uncover the Oklahoma City "Middle East connection" (you see, there are several hundred Muslims in Oklahoma and they had a conference there earlier this year, so that explains everything), even made fun of a report on Iranian radio, the "Voice of Iran," which suggested that American terrorists were behind the Oklahoma City bombing. "The Iranians are reporting that according to their sources, American right-wing extremists were responsible for the bombing," a smiling CBS correspondent told American viewers. He had that smug look on his face of "Hey Americans, see



AS ATTORNEY GENERAL I VOW TO SEEK THE DEATH PENALTY FOR ANYONE WHO DESTROYS BUILDINGS+KILLS INNOCENT CHILDREN. . .



the victims of Waco or attempted to discover if any bad people had been involved in the affair, apart from the victims themselves.

When Congressman Conyers of Michigan suggested to the attorney general — a woman whose name should not disgrace the pages of this journal — that he would gratefully accept her offer to resign her position if she was shown to have done anything wrong about Waco, even Rush Limbaugh took to the air to castigate the congressman for his ungentlemanly conduct. Conyers apparently had some difficulty accepting the attorney general's explanation that she had ordered the assault on Waco because she was concerned that children were being mistreated there. Because of the assault, the children died. But by the time the media were through with the attorney general, they had done such a good job rehabilitating her that they could

delightedly proclaim her "the most popular member of the Clinton administration."

After the Oklahoma City disaster, media pundits could be heard asking themselves innocently, "Why do so many Americans hate their government?"

If you have to ask that question, then you are, psychologically and spiritually, a part of the government.

The strength that this pro-government psychology can gather was indicated by an exchange between John McLaughlin and Christopher Matthews on the May 5 *McLaughlin Group*. McLaughlin is one of the few well-connected, high-profile media folk who keep reminding the public of the government's culpability at Waco. He ably presented the case against the attorney general's recent "in your face" promotion of Larry Potts, who was reportedly one of the FBI officials who

approved the attack at Waco and who was also reportedly involved in the 1992 attack on the Weaver family in Idaho.

Matthews, a columnist for the *San Francisco Examiner* and a nationally prominent media personality, responded with one of those displays of "hurtful political speech" that the media are always warning us against, at least when they come from the Right:

John, I think that, that, that screed we just watched there is part of the paranoia of this country. I don't understand why anybody would put that on the screen. That was a whole indictment by the crazy Right of this country against the Amer— not just the people who are running this country, the country itself. They don't like the federal government; they don't like the institutions; they go after ATF one week, FBI the next week, th-th-they're crazy people, and I'm tellin' ya', they they focus on

what the crazy ayatollahs are saying?"

Now you tell me: who deserves the Pulitzer Prize for investigative reporting next year? CBS or the Voice of Iran?

—Leon T. Hadar

## Truth, Terror, and TNR —

So the Oklahoma City bombing was committed by Americans. I don't think anyone was less pleased with this than *The New Republic*, which I assume had to junk several pages of Arab-baiting editorializing. Some of the old copy appears to have survived, though — witness this odd passage from their May 15 editorial, "An American Darkness":

While the suspicion of Middle Eastern terrorism had a basis in reality — the feds would have been delinquent in their duty if they were not reminded of the signature history of truck-bombing — the taunting of Arab Americans, on the streets and on the airwaves, was terrible. There was much less of this, however, than their spokesmen would have had us believe and there would have been even less had Arab American leaders convincingly shown their revulsion at previous acts of terror.

Do *The New Republic's* editorialists believe that every time an Arab does something wrong, every prominent

Arab American, from John Sununu down, should denounce it? Or do they have particular Arab Americans in mind? If so, who? I must have missed something big here: I never realized that America's leading Arabs were incapable of being "convincingly" revolted by politically motivated mass murder. And this was obviously a big deal, since it was apparently a leading cause of recent anti-Arab harassment.

If workaday racists knew about this phony revulsion, how did I miss it? I must have been sick when it happened. Or away.

At any rate, denied the opportunity to spend an issue kickin' A-Rabs around, *The New Republic* turned its eye to the American terrorist Right. Sort of. On the cover, Alex Heard's article is called "Inside the Network That Created a Massacre." Within the magazine, the article is blurred "Inside the world of the Waco-obsessed right." But the article itself has little to do with the people who (allegedly) committed the bombing. Instead, it's a surprisingly fair-minded rundown of Waco theorists that takes care to distinguish the sane revisionists from the flakes. It's a little snotty, yes, but it's hardly pro-Reno. And it's accompanied by a fine sidebar by libertarian journalist James Bovard,

outlining the case for "skepticism about the federal government's version of what happened at Waco."

In short, the actual articles are rather good, once you get past the sensationalist packaging. Unfortunately, the packaging seems more likely to represent the views of the editors.

Oh, well. I enjoy *The New Republic*, but I've never mistaken it for the Old one.

—Jesse Walker

## Leon Czolgosz Redux —

When I first heard that a white man was arrested for the Oklahoma City bombing, I was relieved: Charles Krauthammer, I said to the air, put away that pen — no calls for invading Syria today! But my relief soon dissolved into annoyance as Nina Totenberg began to refer to the accused and his cohorts as "anarchists." Now whether the bombers actually consider themselves anarchists I don't know. But it's clear that using the term as a label for nutball right-wing bombers does little to enhance the reputation of those of us who would prefer watching the state wither away to smashing it.

Left-anarchists in the 1890s. Right-anarchists in the 1990s. They're hogging all the attention. What's an evolutionary to do? —Michael Levine

Waco, they love the Waco, it's very much like the early Nazis, they would find these one little incidents where they were put down or they were oppressed and then they would *fester* over it and build that up as a big indignation argument for, for fighting the federal government.

When McLaughlin asked if Clinton should reverse Potts's promotion, Matthews replied:

This is buckling to the Nazis, buckling to the Nazis. You're going, if you start playing ball with the guys in the brown shirts and the camouflage, you might as well turn the country over to them.

Other members of the Group became uneasy, but Matthews continued nonetheless:

These people, these people are basi-

cally taking up arms against the federal government, they're insurrectionists, they're insurrectionists, they're challenging the authority of of uh uh institutions like the FBI and the AFT [sic] . . .

Apparently referring to investigative interest in the government's misconduct, Matthews said:

It's the invasion of the body snatchers, this is the invasion of the body snatchers, they're taking over the minds of this country.

Finally, Matthews comforted himself with the hope of silence and forgetfulness in regard to the matter of Potts:

This set, and people wearing camouflage, are the only people talking about this.

If the nation would only forget! But

silence seems an odd hope to be nourished by someone who gets paid to talk.

This is, however, simply one more of those weirdly typical media phenomena. They look odd, to say the least of it, but they're quite predictable, and natural enough in their way. People in the orthodox media react pretty much as you would expect them to react as members of the governing class. When a newswriter or media pundit thinks of "government," he does not think of taxes, coercion, and subsidized self-righteousness. He thinks about a bunch of guys he went to college with. It is not pleasant to think about guys like that — guys you *know* — being accused of doing horrible, painful things. It is about as pleasant as it would have been for the journalists who covered FDR,

## Jackboots and Garter Belts

— A question for those who applauded the Republican sweep in November: to whom would you rather entrust the crafting of the "anti-terrorism" (suppression of domestic dissent) bill: civil libertarian fossils Don Edwards and John Conyers of the *ancien régime*, or Newt Gingrich and Henry Hyde, who propose to vest the FBI with powers undreamt-of since the days when J. Edna Hoover frolicked in ladies' undergarments?—Bill Kauffman

## Be All You Can Be —

President Clinton and various federal authorities have blamed the Oklahoma City bombing on right-wing "militias," despite the fact that such organizations denied membership to Timothy McVeigh, the alleged perpetrator of the bombing. Practically no one has paid attention to the fact that there *was* one militant organization that embraced McVeigh as a member, supported him, trained him in the tools of mass murder, psychologically prepared him to kill without remorse, and rewarded him for doing so. I refer, of course, to the U.S. Army.

The *New York Times* sent a battalion of reporters to investigate McVeigh's background. Its front-page story of May 4 describes him as one who "tried to be the perfect soldier, working longer and harder than anyone else,

winning quicker promotions."

He won a Bronze Star in the Gulf War:

At one point, as Sergeant McVeigh's Bradley [tank] approached the Iraqi trench line, an enemy vehicle was spotted about 500 yards away. "Everybody wanted to shoot it," [a fellow soldier] recalled. "You know, first round, down range. McVeigh was, of course, the lieutenant's gunner so he received the opportunity to shoot the first round. I mean, he was just thrilled."

"He was telling me how accurate the 25-mm cannon was," said [another soldier]. "He said when they were invading Iraq, he saw an Iraqi soldier coming out of a bunker and that when the first round hit his head, it exploded. He was proud of that one shot. It was over 1,100 meters [about 3/4 mile] and shooting a guy in the head from that distance was impressive."

"He played the military 24 hours a day, seven days a week," one of his fellow soldiers told the *Times*. "As far as soldiering, he never did anything wrong," said another. "He was a dedicated soldier; he loved being a soldier," added another.

To date, I have not heard a single call for an investigation of the U.S. Army. Instead, there have been calls for investigating and suppressing the militias, which so far have trained no one to kill

without remorse and which apparently are less willing than the Army to allow lunatics to join them.

—R.W. Bradford

**Halfway Humane** — Late in May, President Clinton swore never again to use the phrase "government bureaucrats," on the grounds that it dehumanized public employees, making attacks like the Oklahoma City bombing more likely. Earlier, George Bush resigned from the NRA because one of its direct-mail packages referred to ATF agents as "jackbooted thugs." Clinton and Bush prefer we see agents of the state as human beings, not arms of an abstract enemy — a humane and individualistic goal.

Bill Clinton did not forswear the word "cultists," and George Bush did not express any regret for punishing all Iraqis for having a president he felt resembled that mother of all jackboots, Adolf Hitler.

So what conclusion should good Americans draw from this? Easy: *We're* not the subhumans. *They* are.

—Jesse Walker

**Memory Hole** — The president said the Oklahoma City bombing was the worst case of domestic political violence in United States history. Tell that to victims of Sherman's march to the sea.

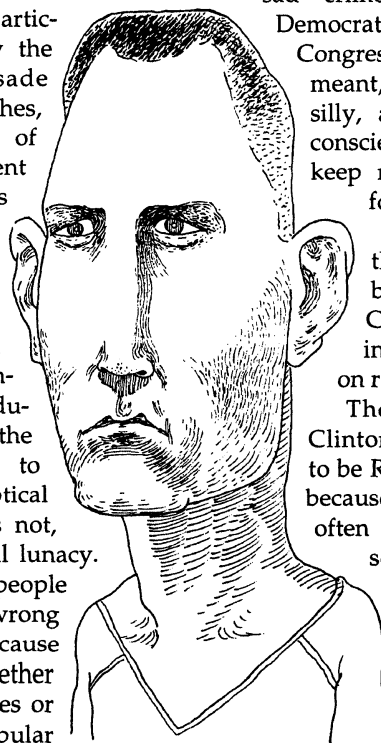
—James S. Robbins

and who supported him politically (as virtually all of them did), to think about the possibility of news photographs depicting him realistically, as a cripple. No such photographs appeared during FDR's career. If it were up to the "moderate" media of today, nothing more would be heard of Waco. We would hear only about Oklahoma City and the heroic president who restored America's confidence in herself.

Fortunately, however, the nation does not get news and opinion from the orthodox media alone. Thanks to free enterprise, the nation actually enjoys such fear-inspiring things as "desk-top publishing, the Internet, videocassettes, and shortwave radio." There is also talk radio, which is hated and despised by all credentialed authorities on heartland values but is loved by the heartland itself. There is even a segment of more-or-less mainstream journalism that tries to compete with the alternative media by pursuing the kind of stories that they have started.

To judge by the post-Oklahoma City reactions in these media sources, a sense of moral discrimination has not deserted the country. America has shown that it is not particularly inclined to follow the president on a crusade against right-wing witches, or to turn the state of Oklahoma into a Permanent Memorial to the Victims of Anti-Government Extremism.

This country is not filled with geniuses, but it's a lot smarter than most of the media personalities that presume to "educate" it. Most of the American people seem to know that being skeptical about the government is not, in itself, a proof of moral lunacy. Most of the American people seem to know that it is wrong to kill other people because you don't like them, whether they are federal employees or members of an unpopular church. And most of the American people seem to know that the death of a hundred innocent people doesn't give moral justification to those who seek to exploit their suffering. □



Some months ago Newt Gingrich referred to the case of Susan Smith, a South Carolina mother who had drowned her children, as a symptom of the malaise afflicting our culture. Mr. Gingrich's remarks were taken as implying that this particular sad crime was due to the Democratic Party's control of Congress. If that is what he meant, then it was extremely silly, and the media were conscientious enough to keep reminding us of this for some weeks.

A few days after the Oklahoma City bombing, President Clinton gave a speech in which he blamed it on radio talk shows.

The target of Mr. Clinton's remarks appeared to be Rush Limbaugh, partly because Mr. Clinton has often confessed to being somewhat nettled by Mr. Limbaugh: it seems that Mr. Limbaugh has got hold of the notion, goodness knows how, that Mr.

Clinton is a crook, a slimeball, and politically a rudderless zig-zagger. The following day, Mr. Clinton's aides clarified his remarks. The clarification might have meant that

it might not have been the case that Mr. Clinton had accused Mr. Limbaugh of inciting the bombing.

Mr. Clinton's performance here was just about as silly as Mr. Gingrich's earlier remark, yet the media treated it somewhat differently: though the predominant view was that the president had committed some kind of miscalculation by saying what he did, there was a show of earnest deliberation as to whether there was any truth in what he had said.

Another few days later, on April 26, the *New York Times* published the text of a letter from the "Unabomber," so named by the FBI because his earliest targets had been university professors and airlines. The Unabomber prefers to be known as "the terrorist group, FC" (yet another case of the Multiple Personality Disorder which has of late become so rife); the letters "FC" have been found scratched on most of his bombs.

FC sends bombs by mail. He mailed his first bomb in 1978. His 16 bombs have caused three deaths and 22 injuries. The most recent bomb killed the chief lobbyist for the California Forestry Association. It was addressed to the victim's retired predecessor, but naturally, from FC's point of view, the death of a forestry lobbyist with more activity still ahead of him is an even better hit. FC's letter smugly discloses that he has improved his bomb-making techniques so that we can now expect

## Hermeneutic

# Signatures of Terror

by David Ramsay Steele

Note the style, find the man.

more fatalities rather than mere injuries.

The letter states that "anyone who will read the anarchist and radical environmentalist journals will see that opposition to the industrial-technological system is widespread and growing." FC's avowed ultimate aim is "to break down all society into very small, completely autonomous units. Regrettably, we don't see any clear road to this goal, so we leave it to the indefinite future. Our more immediate goal, which we think may be attainable at some time during the next several decades, is the destruction of the worldwide industrial system." Reminds me of the old joke about the recipe for a perfect bank robbery, which begins, "First, you steal a battleship. . . ."

If FC's purpose is as he describes it (and it may not be), he is laboring under a misapprehension. Even if we were to suppose that his detestation of

a high level of comforts and conveniences for the mass of people were morally right, he is grossly mistaken on a pure matter of fact in supposing that technological advance and growing output are now in any fundamental danger. The environmentalist frenzy has passed its peak, and the mainstream organs of opinion, besotted as they were for a while by the ravings of ecological demagogues like Paul Ehrlich, are now increasingly critical. Most of the world's people are clamoring to enter the high-tech, high-output realm of industrial capitalism, which alone can offer them a decent life, and they will remove anyone who makes a visible attempt to hold them back in preindustrial wretchedness.

If right-wing radio shows are responsible for the Oklahoma City bombing, who is responsible for FC's crimes? There are many candidates, of course, but one naturally thinks of Mr. Al Gore, author of the bestseller, *Earth*

*in the Balance*. This appeared in 1992, but its self-congratulatory autobiographical references indicate that Mr. Gore has been putting out this kind of stuff since before 1978.

*Earth in the Balance*, as even its alarmist title suggests, is calculated to arouse panic in the minds of readers. It evinces utter credulity about any number of bogus scares like global warming, and conveys a contempt for our "dysfunctional civilization."

Just as Mr. Limbaugh condemns the Oklahoma City bombers, so Mr. Gore condemns the "deep ecologists," who see humankind as the equivalent of an AIDS infection of the planet, only to be cured by eliminating the virus — people. Mr. Gore tut-tuts about this, and offers instead the theory that humankind is "addicted to the consumption of the earth itself." At the root of this desperate addiction, claims Mr. Gore, is a culture which encourages thought and stifles emotions. In that case, *Earth in*

**Photo Ops** — Was anyone else revolted by the president's use of the Oklahoma City bombing to tout his National Service Corps? The president's attempt to tie that true spirit of voluntarism to his wretched federal "volunteer for pay" program was simply grotesque. Watch next for a day-care bill in the name of the children killed at the "America's Kids" center in the Murrah building.

—James S. Robbins

### **Cold Media, Hot America**

— During the Los Angeles riots, news coverage from the burning city was dominated by mushy empathy, but not with the real victims — the Korean store owners and middle-class homeowners defending themselves against the thieves and murderers. No, the press was obsessed with the plight of the city's criminal underclass — the gangs, the bums, the "homeless," and just your average scum — who were setting L.A. on fire, cracking the heads of passing-by truck drivers, and stealing color TV sets, all because, well, they were so anguished over the verdict in the Rodney King trial. Right!

I recall in particular the series of hour-long "specials" in which

*Nightline's* Ted Koppel interviewed some of the gang leaders responsible for the death and destruction in L.A. He did so with the same respect he would probably have conferred on the leaders of the French Resistance — as larger-than-life romantic figures — treating with the utmost seriousness the thugs' views on the predicaments of Third World peoples, the Fed's anti-inflation policies, the Great Society programs, and how white businesses are infecting blacks with AIDS.

The villains in the media's sentimental crap were the Los Angeles Police Department and those white jurors responsible for the physical and psychological torment of that great martyr, Rodney King. And, of course, those Korean store owners who did not have legal permits to use those guns against the rioters. All of which played into the hands of activists, lawyers, and members of Congress, who were able not only to overturn the jury's verdict, but also to help launch new big government welfare programs to help the "victims."

I was reminded of the media's treatment of the L.A. nightmare as I followed the coverage of the Oklahoma City bombing. This time the real vic-

tims were identified — the innocent men, women, and children who died. And the perpetrators of the crime were portrayed as the terrorists, the plain and simple killers, that they are.

But notice what was missing from the Oklahoma City coverage. No media empathy this time with the social and economic predicaments of the white underclass, no attempt to uncover the "underlying causes" of their anti-government campaign — high taxes, repressive regulations, "assertive multilateralist" diplomacy (leading to the deaths of American soldiers in Somalia), U.S. tax money bailing out corrupt Mexican politicians and irresponsible Wall Street investors, FBI agents killing innocent Americans.

Instead, all those tax resisters, Second Amendment proponents, U.N. skeptics, anti-government activists, and anti-environmentalists united in their anger over the government's criminal actions in Waco and Ruby Ridge have been portrayed as, at best, pathetic and cartoonish figures, and at worst, racists, anti-Semites, "white trash," "the lunatic fringe," "conspiracy nuts," "paranoids," and "America's anti-government zealots" (see *Time's* May 8 cover). There are no four-part *Nightline*



the *Balance's* level of argumentation proves that cultural conditioning has its limits.

Mr. Gore's book contains inflammatory "hate" passages, such as his mention of "many political, business, and intellectual leaders" who serve as "enablers" for our addiction to consuming things, by willfully refusing to "acknowledge these destructive patterns." Surely a fragile soul might be prodded by such a remark to start physically eliminating some of these devilish enablers?

Was FC influenced to do what he did by Al Gore? Probably not, and even if he was, it wouldn't be Al's fault.

Bombings require organization and commitment. They don't happen because fragile souls are pushed over the edge by fiery rhetoric. And that aside, the preachers of some doctrine are not responsible if others act upon that doctrine in ways which the preachers have never recommended.

Those who preach environmentalism and advocate environmental policies are not responsible for others who plant booby traps killing loggers. Those who argue that a fetus has a right to life are not responsible when others shoot abortionists. Those who preach that homosexuality is immoral are not responsible when others beat up homosexuals.

Rush Limbaugh does not advocate violence as a way of advancing conservative policies (except by military means abroad, a matter in which most of his critics keep him company, when they do not positively out-jingo him). It's being said that Gordon Liddy has advocated shooting federal officials, but as far as I know, Mr. Liddy has not recommended that these officials be sought out and killed in their homes or offices. He has merely recommended that we use deadly force in pre-emptive self-defense when our homes are forcibly invaded by federal officials acting

criminally. And although Mr. Liddy may have spelled this out in more lip-smacking detail than some folk would have liked, who will dispute that such purely defensive action would be morally justified?

What can actually be learned from FC's letter?

Obviously he is male (his extreme self-conceit) and a middle-class Caucasian (his trendy-lefty anti-industrial views), most likely Anglo-Saxon or Jewish. His IQ is at least 125, though much higher on verbal than on numerical skills. His background is purely in the humanities, in some areas of which he is extremely well-read. He is ignorant of natural science and economics. He was very likely enrolled in some college, perhaps a fairly prestigious one, in the late 1960s or early 1970s, though quite possibly he did not graduate. He has almost certainly visited Europe.

On my reading of the ideological nuances of his prose, he is not first and foremost an environmentalist, but someone who became a committed anti-capitalist and anti-industrialist for reasons largely unrelated to environmental issues. Both "anarchism" and "environmentalism" are convenient misdirections. FC was an anti-capitalist first, an environmentalist second — and mainly for tactical reasons. A number of indications suggest involvement with Situationism, which (in a United States context) points to the San Francisco Bay Area. But I would allow some possibility it might have been Maoism or Trotskyism.

There are several feints and sham clues. He writes of testing his bombs "in the Sierras," which presumably means that he is now based nowhere near the Sierras, though of course a double-bluff remains a possibility. There's no reason to doubt that the deceptions extend to the presentation of his ideology and to his choice of victims. His early victims had nothing to do with environmental issues, but he is now killing a few environmentalist bogeys. Although he probably does believe that this is a good thing in itself, it serves to bolster his Green credentials.

The *Times* tells us that FC's exact wording and punctuation have been retained. Though very slightly old-fashioned, the grammar and style are

series to take a serious look at the lives and times of the militia leaders. Instead, their views on the Fed, the World Bank, and the United States are being ridiculed as being paranoid. (Which, in many cases, they are.)

All of which plays into the hands of all those activists, lawyers, and Members of Congress interested in denying Americans their constitutional right to bear arms, to impose restrictions on freedom of speech, and to strengthen the powers of the FBI, permitting it to spy on "subversive" groups and publications, such as the one you are reading. (Is this a sign of paranoia on my part?)

—Leon T. Hadar

### **Motivated by Hate —**

Murray Rothbard used to say that the mark of a true libertarian radical was that he hated the state. If this is so, libertarianism may soon be declared a hate crime. Talk radio, the Internet, fringe publishers — almost every outlet for dissent has now been attacked for contributing to "an atmosphere of fear and hatred," by which it is meant fear and hatred of the government. The *federals* don't always fear being feared, of course, but they sure hate being

hated. It is time, they say, to restore a "civil discourse" — that is to say, public debates in which no one refers to any important person or thing by an emotionally charged name. Waco was not a holocaust; Janet Reno is not a killer. The Gulf War was a police action; the MX was a peacekeeper. Ignorance is strength, freedom is slavery, and Bill Clinton is a decent human being.

When I was in college, the P.C. Left tried to distinguish "hate speech" from "free speech," presumably so they could call for censorship and still think of themselves as civil libertarians. Since hate speech is a kind of speech and free speech is a kind of freedom, this linguistic sleight-of-hand never impressed me very much. Besides, "hate speech" didn't necessarily mean speech that is hateful — just speech that is potentially offensive. "Luke is a real bastard" was not hate speech. "I lost my job because of affirmative action" was.

But if "hate" was a trendy euphemism for "offensiveness" then, since the Oklahoma bombing it has come to mean "dissent." I think I prefer the old code. Some Orwellianisms are more Orwellian than others.

—Jesse Walker

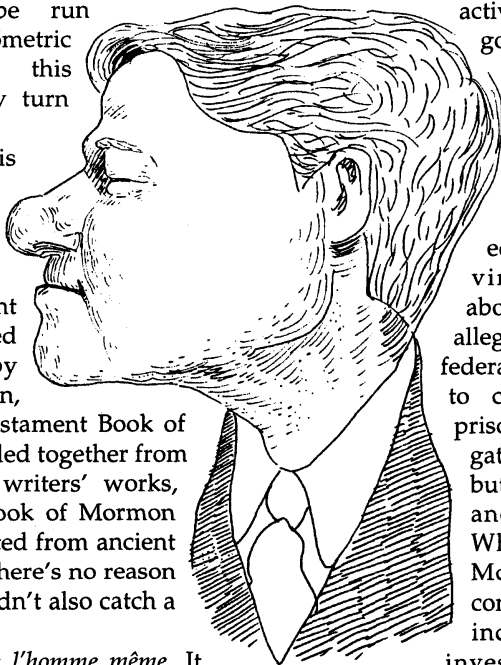
flawless, which may turn out to be a serious mistake. Only about 1% of the U.S. population is that literate, and, while it's not too difficult for a literate person to feign illiteracy, it's impossible for an illiterate person to feign literacy.

It would be a remarkable eventuality if such an egoist ("We reserve the right to engage in sabotage") and such a practiced writer ("So we expect to be able to pack deadly bombs into ever smaller, lighter and more harmless looking packages" — not many people can handle prose with that degree of assurance) had never appeared in print, and perhaps also as the motivator of some organization (booking rooms for meetings, and so forth).

There are stylistic fingerprints in this document. For example, not many Americans use the locution "ever smaller." Someone else might have put "progressively smaller." A person who writes so well, and who uses "ever smaller," is very likely to have used "ever" followed by a comparative adjective in earlier published writings. There are plenty of other mannerisms in the document, and the FBI say they have three other letters from FC. All the radical-left publications in the San Francisco Bay area from 1965 to 1978 could be run through a stylometric analysis, and this would probably turn up our bomber.

Stylometry is the technique which tells us, for example, that all the New Testament letters attributed to Paul are not by the same person, that the Old Testament Book of Isaiah was cobbled together from three separate writers' works, and that the Book of Mormon was not translated from ancient Chaldean. But there's no reason stylometry couldn't also catch a bomber.

*Le style c'est l'homme même.* It should now be fairly easy to find this bastard, and if he isn't put away within the next couple of months, I'll begin to wonder what I'm supposed to be paying my taxes for. □



A month or two ago, I asked a publisher friend whether he thought there would be much of a market for a book on Waco. "It's a dead issue," he said. Last week, he called to apologize, wondering if I had a particular writer for such a book in mind.

What changed his mind was the bombing of the Oklahoma City federal building, apparently by an individual upset by a number of recent

activities of the federal government, including its confrontation with the Branch Davidians in Waco. I say "apparently" because the accused McVeigh has said virtually nothing about his motives for allegedly bombing the federal building; he seems to consider himself a prisoner of war, obligated to reveal nothing but his name, rank, and serial number. What we know of McVeigh's motives comes from slow and incoherent reports of investigations of his background by federal police and the press.

What really thrust Waco back into the headlines was Bill Clinton's bizarre answer to CBS reporter Leslie Stahl's

question on *60 Minutes* about whether he had "any second thoughts" about the Waco tragedy. "Before that raid was carried out, those people murdered a bunch of innocent law enforcement officials," he shrieked, "and when that raid occurred it was the people who ran that cult compound who murdered their own children, not federal officials. They made the decision to destroy the children that were there."

Clinton's answer was, of course, an absolute lie. Eleven Branch Davidians were charged with conspiracy to murder the four federal agents who died in the government's original assault on the Davidians, and with aiding or abetting the murder of those agents. All were tried in court. All were found innocent. No charges were ever brought against anyone for murdering the Davidian children, but if they were, the most logical culprit would be the FBI, which induced poison gas into the building where it knew children were housed.

Will there be an investigation of Waco? Not if the Clinton administration has its way. "Why is there this terrible diversion on Waco when the real problem we're confronting today is Oklahoma City?" asked White House Chief of Staff Leon Panetta. He added that the administration's "anti-terrorism" legislation (that is, its measures to give police access to telephone and credit card records) isn't moving through Congress fast enough to suit the president "because there is this diversion going on to try to create

## History

# Still Smoldering

by R. W. Bradford

The intelligent person's guide to Waco.

attention on the Waco incident. . . . I think that's despicable."

The Republican-controlled Senate has voted overwhelmingly to postpone any such hearing until the investigation of the Oklahoma City bombing is completed and its perpetrators tried and convicted, a process that will almost certainly take several years. House Speaker Gingrich has said the House subcommittee on terrorism will hold hearings sometime this summer or fall.

## The Undiverted Truth

There are two competing versions of what happened at Waco: one from the radical right wing, determined to find a conspiracy in every act of the federal government, the other from the government.

The government's version claims that the ATF agents who initially attacked the Davidians on February 28, 1993, were innocently trying to serve a search warrant when they were fired upon by deranged and illegally armed religious fanatics. After the ATF withdrew, the heroic FBI took over and, in an attempt to save the Davidian children, fired harmless tear gas into the cultists' compound. The Davidians reacted by shooting each other and setting themselves on fire.

This story is a fabric of lies embellished with obvious self-contradictions.

The radical right wing theory, which may have inspired Timothy McVeigh, portrays the attack and killing of the Davidians as part of a government conspiracy. In its more absurd forms, this theory describes the ATF killing its own agents at Waco (because they "knew too much about the Clintons") and then blaming the deaths on the Davidians. There is also the idea of Waco as practice run for a coming United Nations crackdown on patriots in order to foist The New World Order on complacent Americans.

Based on a careful examination of the evidence, it appears that the conspiracy theories are wrong. But it is easy to see why so many people believe them: officials from Bill Clinton to Janet Reno down to virtually every press spokesman for the ATF and the FBI consistently lied, and the administration and federal law-enforcement bureaucracies do have a powerful urge to disarm private citizens and suppress

religious diversity ("cults").

The most sensible explanation of the Waco tragedy is not much more reassuring than the conspiracy theories. It's disquieting in more subtle ways.

A careful examination of the events and the testimony of those involved yields the following:

The ATF decided to assault the Davidians in an attempt to gain favorable publicity. They expected that the element of surprise and their huge show of force would intimidate the Davidians into a quick surrender. The attack went tragically wrong thanks to two miscalculations by the ATF: first, that the Davidians would not learn of the raid in advance, despite the ATF's advance publicity (which included inviting local television film crews along for a photo opportunity); second, that the Davidians would lack either the means or the will to resist. In the initial assault by 80 heavily armed ATF agents, allegedly intended only to search for possible violations of gun-licensing laws, the ATF failed to capture the Davidian property, and an uneasy truce resulted. In that confrontation, four ATF agents and five Davidians were killed. The ATF claimed that the Davidians had fired on them without provocation and that it had videotape evidence to prove this.

A turf war developed between the Treasury Department's ATF and the Justice Department's FBI. Ultimately, the FBI prevailed, and its "Hostage Rescue Team" took over management of the operation, despite the fact that there were no hostages to rescue.

During the siege, the FBI used a variety of "psychological warfare" tactics, including bombarding the Davidians with loud noise, flooding them with bright lights at night, playing rock music to prevent them from sleeping, and wantonly destroying their property. The FBI also installed listening devices within the Davidian property and kept careful track of everything said inside. It consulted experts in psychology, religion, and other fields it believed relevant. It also used the age-old tactics of military siege: it cut off water, food, and contact with the outside world. Its spokesmen sought to create a favorable impression of FBI activity with frequent news conferences, during which (it was later

established) they made a comprehensive effort to lie to the American public.

After 51 days, the FBI (with the approval of Attorney General Reno, and probably Bill Clinton as well) attacked the Davidians, firing CS gas into the buildings from tanks. CS gas is poisonous, and its manufacturers stress that it should never be used within buildings. It is especially harmful to children, of whom there were more than 15 within the compound. The FBI knew that the Davidians possessed no gas masks that would fit the children.

After several hours of attack, a fire broke out. There is no conclusive evidence explaining how the fire started, though the FBI had to be aware that fire was likely under the circumstances. CS gas is extremely flammable; under the right conditions, it can be explosive. The FBI knew that Davidian property was a wooden frame structure, reinforced with bales of hay as a defensive measure against small arms fire. The FBI knew that the Davidians were using kerosene lanterns for light and that kerosene was present in a variety of locations within the building. The FBI also chose a day for its attack when winds exceeded 30 miles per hour and conditions were dry, and ordered all fire-fighting equipment to be kept away from the Davidian property during the attack. During the entire siege and the attack, the press had been kept more than a mile from the scene.

During the course of the fire, 81 Davidians died, some from the fire itself, some apparently by suicide. The FBI prohibited any effort to fight the fire. It arrested those Davidians who escaped the conflagration and told the press that the escaping Davidians had confessed to having started the fire, a

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claim subsequently denied by all the surviving Davidians. After the fire died down, the FBI combed the wreckage; it subsequently claimed to have found evidence that the Davidians had possessed unlicensed automatic weapons, though in the subsequent trial it denied defense experts access to this evidence. The government claim that the Davidians had lit the fires was supported by an "independent" expert, who was later revealed to have been a long-time government consultant

whose wife was employed by the ATF.

In the wake of the mass carnage, Attorney General Reno took "full responsibility" for the decision to attack the Davidians, and President Clinton denied any responsibility. Taken together, Reno's public statements constituted a virtual admission that she had consciously ordered the attack while in full knowledge that it would result in the mass death of innocent children. However, most of the American public did not listen to her statements in their

entirety or evaluate their implications. Instead, loath to believe that such a horror had been committed in their name, they applauded her willingness to take responsibility.

Eventually the search warrant that had justified the initial raid was unsealed. It proved to be a fabric of irrelevancies and falsehoods.

When the surviving Davidians were tried, the government offered no evidence other than the testimony of seven of its own agents, one of whom recanted his earlier statement that the first shots fired were the ATF's killing of the Davidians' dogs. Most notably, the government failed to produce the videotape that it had claimed would prove the Davidians had fired the first shots.

With the site of the crime burned to the ground and bulldozed over, the defense could offer no physical evidence for its side other than a tape of the Branch Davidians' call to 911 ("There's 75 men around our building and they're shooting at us!"), which sounded a lot like people under attack. The only other witnesses were television reporters invited to the scene by the ATF but kept too far away to have any idea who fired first.

All eleven Davidians were found not guilty of murder, conspiring to murder, and aiding or abetting the murder of the federal agents. Five were found guilty of a lesser charge of "aiding/abetting voluntary manslaughter," based on Judge Walter S. Smith's instructions that jurors convinced that the accused had acted "in the sudden heat of passion caused by provocation" could convict them of this lesser charge.

The American people did their best to forget about Waco. Internal investigations by the Treasury and Justice Departments exonerated all officials of anything worse than lapses in judgment and blamed the Davidians entirely for the tragedy, and four congressional investigations were perfunctory. The two ATF officials whose judgments seemed most egregious were suspended, but later reinstated with back pay. The official who directed the FBI's efforts was reprimanded, but subsequently was promoted to the position of deputy director. □

**"Anti-Government"** — The press should stop using the "anti-government" label for all the right-wing groups it is focusing on after the Oklahoma bombing. There is nothing "anti-government" in the views of the Nazi and White Aryan movements. These are proponents of totalitarian ideologies that advocate establishing powerful regimes to repress and even exterminate political enemies and religious and racial minorities. Nor are Christian fundamentalists who want a central political authority to regulate our cultural and spiritual lives part of an "anti-government" crusade. Perhaps they are part of the "lunatic collectivist fringe."  
—Leon T. Hadar

**"Anti-Terrorist"** — In response to the bombing of the federal building in Oklahoma City, President Clinton has proposed new legislation that would:

- allow him to declare an organization a "terrorist group";
- allow him to use the military to investigate domestic "terrorist groups";
- allow federal agents access to credit card, financial, telephone, and hotel records;
- allow federal agents to wiretap individuals suspected of any federal felony (not just serious felonies, as currently required);
- hire 1,000 new federal agents, prosecutors, and other personnel;
- allow evidence from illegal electronic surveillance to be used in court;
- require adulteration of fertilizer and other substances that can be used to make bombs to allow them to be traced; and

- spend \$500,000,000,000 to enable federal authorities to listen in on secured digital telephone lines.

The use of cash has been virtually outlawed in the United States. Under various laws and regulations enacted as part of the Reagan-Bush "War on Drugs," banks, merchants, travel agents, and others are required to file reports to the IRS of any cash transactions deemed suspicious. In general this means that all transactions of more than \$10,000 and most transactions of \$1,000 or more are reported directly to the IRS. So giving federal officials access to your credit card records is tantamount to giving them information on how you spend every dime you earn. And giving federal officials the right to listen to your phone calls and giving them access to a list of all calls you make or receive goes a long way toward eliminating private communications.

What's curious about the proposed measures is that not a single one of them would have prevented Timothy McVeigh from bombing the federal building in Oklahoma City or made him any easier to apprehend. McVeigh was not part of any organization. He apparently did no planning by telephone. He seems to have purchased the inexpensive components of his bomb with cash. And his apprehension was simple: he fled the scene driving an automobile without license plates.

Republican leaders were quick to endorse this comprehensive and expensive program of increasing government power and reducing what's left of the traditional American right to privacy. About the only criticism has come from the ACLU. Newt Gingrich has said he hopes to have the program enacted by the time you read this. —R.W. Bradford

## How-To

# Conspiracy Is As Conspiracy Does

*by Jesse Walker*

How to spot a scapegoat theory.

**W**e've heard a lot about conspiracy theories in the weeks since the Oklahoma City tragedy. Alleged bomber Timothy McVeigh has been "linked" to the militia movement, and the militia movement, we are told, holds to all sorts of paranoid notions. Such as:

- the federal government plotted the Oklahoma City bombing;
- Soviet troops are performing maneuvers on American soil;
- Vincent Foster was murdered by Hillary Clinton;
- the Constitution is being gradually undermined; and
- the federal government cannot always be trusted.

All of which, of course, are equally ludicrous. Right?

Political analyst Chip Berlet expressed one popular explanation for conspiracy theories on National Public Radio's *Morning Edition*. "I'm a straight white Christian man. I don't like having to give up my privilege and status," he said. "We now have a large group of people blaming the government because the government is the agency by which we're forced to deal with these unpleasant realities. All of these social stresses are backlash movements aimed at these other causes, but displaced over to the scapegoat of the government as the agency by which these people [blacks, gays, and women] are in our face."

Which explains, I guess, why conspiracy theories are so popular among the Black Muslims.

Scapegoating is a real social ill, even if Berlet's remarks about it are not particularly cogent, and it is indeed often tied to conspiracy theories. So, as a case study, let's compare two views of the events leading to the incineration of the Branch Davidians in Waco, Texas. Here is the official government story, as expressed in the ATF's search warrant and by government officials during and after the standoff:

The Branch Davidians were a dangerous cult. They were completely devoted to their megalomaniacal leader, who engaged in ritual sex with children. They were amassing an arsenal of illegal weapons, which they planned to use in an attack on the outside world. They may also have been involved with manufacturing dangerous illegal drugs. When they refused to submit to a lawful warrant, killing four federal agents instead, the standoff began. Officials had reason to believe they were abusing children, so they attacked their compound — but the mad Davidians set themselves on fire rather than surrender.

Here's the mainstream revisionist account of what happened, as expressed (in slightly variant forms) by critics ranging from Alexander Cockburn to *The American Spectator*:

The ATF had recently suffered a lot

of bad publicity, and were concerned for the future of their funding. The Branch Davidians did not pose a social threat: there was no credible evidence that their weapons were illegal or that they were plotting violence, there was no evidence at all that they were manufacturing drugs, and at any rate there were several less confrontational ways to arrest Koresh. The ATF did not expect a standoff; they assumed they would easily take the "compound," seize a lot of weapons, and ride the publicity through their funding difficulties. The fire was probably caused by the combination of the highly flammable CS gas the FBI pumped into the compound and the FBI's tanks knocking over kerosene lanterns. There is some evidence that this was deliberate, but this has not been proven.

Which of these accounts of the holocaust sounds more like a scapegoat theory? The government's lurid portrait of diabolical Davidian Templars plotting apocalypse, or the revisionists' description of an ATF publicity stunt gone horribly awry?

Of course, there are other revisionist Waco tales that do merit the "conspiracy theory" label. But these stories emerged largely because the government and media were so uninterested in uncovering what actually happened in Texas two years ago. Cover-ups breed suspicion of further cover-ups. If Janet Reno had been fired after Waco, fewer people would be convinced today that the U.N. is building concentration camps in Indiana.

The important point is that it is the government, not the dissidents, that is looking for scapegoats. The dissenters, *contra* Berlet, are not simply scapegoating the state; they have legitimate reasons to fear it. Waco and Ruby Ridge were not aberrations. Government agencies have shown their contempt for life and liberty on countless recent occasions: civil-forfeiture larcenies, harassment of homeschoolers, FDA raids on health food stores, ATF assaults on law-abiding gun owners, INS harassment of Hispanics, BIA abuses of American Indians, local police corruption and brutality. Anyone who wonders why so many Americans have come to fear their government need look no farther than the corpses of Donald Scott, Vicki Weaver,



Malice Green, and David Koresh.

The state, on the other hand, has always been quick to paint its victims as a subhuman Other. Cultists. Crackheads. White supremacists. Black gangsters. Muslim terrorists.

Many of the current attacks on the militia movement have also followed this pattern. On *The MacNeil/Lehrer News Hour*, Morris Dees of the Southern Poverty Law Center "linked" the militia movement to the Order, a neo-Nazi terrorist group of the early 1980s, offering no evidence for this connection beyond the presence of one militia organizer at one conference of white nationalists half a decade ago. His conclusion: the government should ban the militias. One local news program did a report on "Hate on the Internet," the upshot of which was that one could access militias (automatically defined as "hate groups") and discuss weaponry via one's modem. Their conclusion: we need controls on electronic speech.

And the president has been quick to use fear of further terrorism to call for increasing the power of the FBI and other federal police agencies. To their credit, many media figures, such as Ted Koppel and Anthony Lewis, have pointed out how the government has abused these powers in the past; for the first time in my recent memory, network news programs have actually discussed the FBI's COINTELPRO operations of the 1960s and '70s, in which the feds infiltrated antiwar, civil rights, and other protest groups in order to sow dissent within those movements.

The commentators have avoided mentioning one facet of COINTELPRO, though: the use of *agents provocateur* to drive peaceful organizations to acts of violence, thus discrediting the groups and their causes. Interestingly, the one conspiracy theory that every commentator has denounced as unthinkable — indeed, has held up to show just how loony these militia people are — is the notion that the federal government had something to do with the Oklahoma City bombing. If one remembers earlier *agents provocateur*, this hypothesis becomes less unreasonable — though still completely unproven.

To some pundits, of course, any critique of power is itself a paranoid conspiracy theory. No distinction is made

between naive references to the Trilateral Commission as a modern Illuminati and intelligent critiques of Trilateralism as an overt, non-secretive brand of elitism. No distinction is made between improbable tales of one-worlder cabals and legitimate fears of global concentrations of power. In these pundits' worldview, any critique of elites is paranoid — and any claim that issues from those elites is not. In that context, we should remember that the most dangerous conspiracy theories are those that *aren't thought of as conspiracy theories*. Chip Berlet and Morris Dees may find covert anti-Semitism in every diatribe against bankers or Hollywood, but it was the federal government, in its assault on the Branch Davidians, that carried out a modern pogrom.

"Every one of us has to accept

responsibility for allowing scapegoating and dehumanization and conspiracy theories and demagoguery and soundbites to become the operant political discourse in America," Berlet told NPR. I'd like to believe that Berlet is denouncing the tendency to blame every social ill on some alien force — illegal aliens, or Japanese businessmen, or "assault rifles," or marijuana, or militias, or *Beavis and Butt-head*. But I can't help but suspect that he's more concerned with citizens who fear the government than with governments that foment fear of a new alleged demon each month.

And watching, reading, and listening to the commentators since that horrible Oklahoma blast, I can't help but suspect that in this, Berlet is far from alone. □

## Comparison

# A Tale of Two Terrorists

by David Ramsay Steele

The Ulster connection.

Immediately after the Oklahoma City bombing, our Head of State and Role-Model-in-Chief read a meticulously-crafted statement voicing his heartfelt loathing and commitment to retribution:

We will find the people who did this. When we do, justice will be swift, certain, and severe.

These people are killers, and they must be treated like killers.

This was something of a change of tune for Mr. Clinton, who was abruptly abandoning a quite different procedure for dealing with terrorist bombers. Just one month earlier, he had run the following simple six-point program:

(1) Wait until a few weeks have elapsed since the bombers last bombed anyone.

(2) Locate the bombers' political spokesman.

(3) Invite him to a cordial get-together at the White House.

(4) Praise him as a peacemaker for not bombing anyone lately.

(5) Resist all attempts to make disarming of the bombers a condition for further recognition, including further high-level chats and photo ops.

(6) Give the bombers the go-ahead to publicly raise funds for future bombing.

This was, in essence, the masterly

# THE RADICAL ROMANTIC

is:

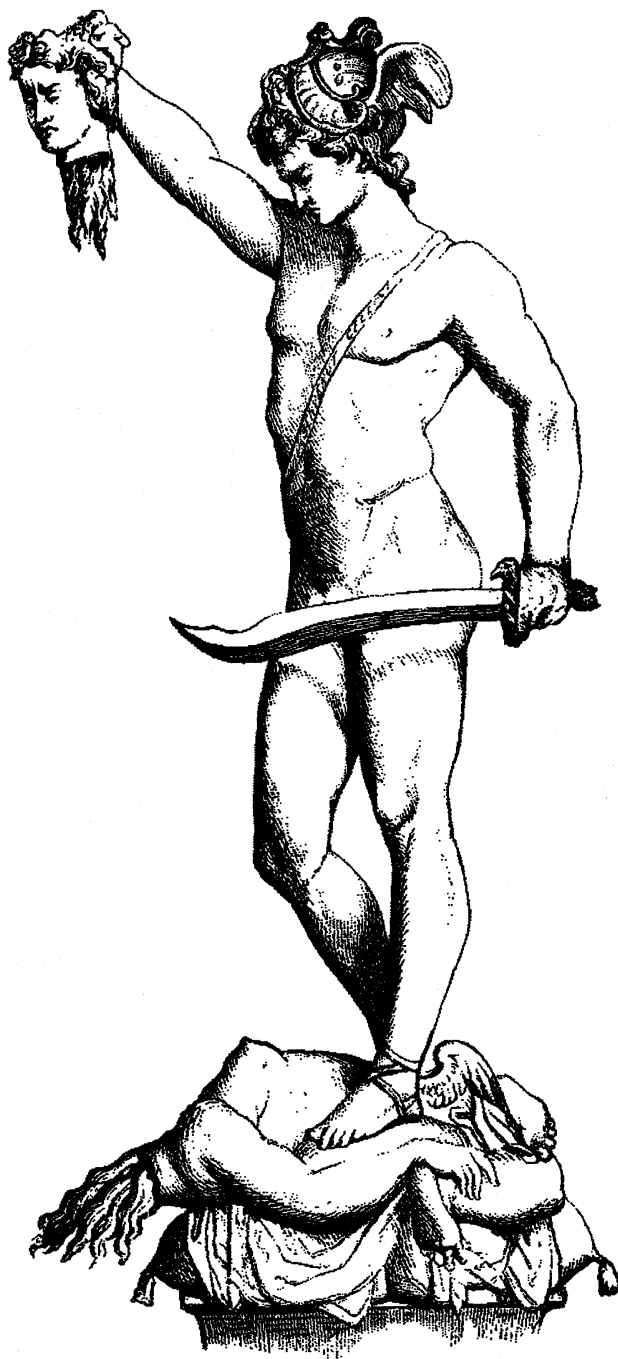
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strategy Mr. Clinton adopted in the case of Mr. Gerry Adams, the charming, mild-mannered spokesman for Sinn Féin/the Irish Republican Army. In no significant matter of principle does the Oklahoma bombing differ from the terrorist campaign of the IRA.

Oklahoma was a juicier crop of corpses than the IRA has been able to harvest at one sweep of the scythe, and no doubt Gerry Adams' gallant knights are even now studying the newly demonstrated possibilities of low-tech. But over the years, in many bombings and shootings, the IRA has dispatched thousands of souls to the banks of the Styx, many of them admittedly guilty of working for the government, including an impressive tally of women and children. The death, suffering, and horror inflicted upon Americans by whoever did the job in Oklahoma is much the same as the pain inflicted many times on the people of Ireland and Britain by Gerry Adams' boys.

Do the aims of the bombers have anything to recommend them? We do not yet fully grasp the aims of the Oklahoma bombers, but it seems that they may have been trying (1) to encourage the state to become more oppressive, in order (2) to advance some revolutionary scenario. The first part is a cinch, the second is less dependable.

The IRA's declared aim is to get the British to leave Northern Ireland, but this glib phrase is equivocal. Whether or not British troops are pulled out of

the Six Counties, so that full control of combatting the IRA is returned to the usual peacetime security forces, is a matter of tactics. In any case, no one doubts that the troops are kept there to deal with the IRA and that they would indeed go home after a while if the IRA permanently stopped killing Northern Irish civilians.

What is really intended by "British withdrawal" is that Northern Ireland should cease to be part of the British nation-state. Forgive me for an uncouth lapse of taste at this point, if I bring up the tiresome little detail that about two-thirds of the people of Northern Ireland (virtually all of the Protestants plus a few of the Catholics) view themselves as British, while about nine-tenths of the remaining one-third are fully prepared to accept British rule in practice and work peacefully within it.

The point of view of the majority two-thirds is clear and has been voiced repeatedly, in numerous referendums and elections: they desire to remain part of the United Kingdom. If they are expelled by Britain, they will form an independent state of Ulster. Either way, they strongly prefer not to be ruled by Dublin.

So getting the British out of Northern Ireland either means getting two-thirds of the population to leave, or it means bombing the survivors of that two-thirds into submission, so that they accept a foreign rule which they dread more than IRA bombs.

The British government would like nothing better than for the Northern Ireland majority to undergo a miraculous conversion and wake up tomorrow morning consumed by a feverish craving to be part of the Catholic nation governed from Dublin. Failing that, the British have done what they could to poke and cajole the Ulster people into accepting the inevitability of Dublin rule. So far, the Prods (as they are contemptuously called by Catholic nationalists at street level) have remained perversely stubborn. And so far, the British government, while ceaselessly intriguing against the Ulster

Protestants, has stopped short of expelling Northern Ireland from the U.K.

The majority of the Catholic population, in Northern Ireland and in the Irish Republic, has some attachment — varying widely in quality and intensity — to the ultimate goal of a united and independent Ireland, but most want this to be brought about peacefully, by the eventual uncoerced consent of the Ulster Protestants. This is a perspective of centuries rather than decades.

Some hope that growing prosperity, secularization, and liberalization in the South will eventually make that culture seem less alien to the non-Catholic people of Ulster, while the higher fertility and lower emigration of Catholics will gradually weaken the Protestants' majority position in the North. This could happen, but as Irish Catholics become more secular-minded they might also become less fascinated by the project of extending the effective borders of the Catholic nation.

If Britain were to be persuaded to expel Ulster, the repercussions in the whole of Ireland could easily be akin to the present situation in Bosnia. Today, of course, even counting the hazards of the IRA and of the Protestant paramilitary gangs which have arisen in response to the IRA, everyday life in Northern Ireland is much safer from violent attack than life in any American city.

The immediate aim of IRA bombing, like the immediate aim of the Oklahoma bombing (insofar as we can now conjecture that), is more violence and suffering, not an end to violence and suffering. This is not a prospect which any reasonable person who values human life and liberty can thirst after. In either case, the notion that more good than evil will ultimately emerge from the carnage is fanciful.

But, it may be said, all this is hopelessly, even deliciously, naive. Both Steele's heavy-handed irony and his irritable complaints about mass murder sanctified by cant are entirely beside the point, for they overlook the dispassionate arithmetic which alone motivates the Man from Hot Springs. To wit:

The people most upset about the Oklahoma bombing are American voters. The people who give money to Gerry Adams so that little kiddywinks



in Northern Ireland can have their arms and legs blown off are American voters. The individuals slaughtered and crippled by Gerry Adams' tough lads, on the other hand, are *not* American voters. Neither are most of the residents of the British Isles who witness the results of these exploits on TV.

To censure Mr. Clinton because every word he has uttered anent the

Oklahoma bombing and the IRA is a calculated move governed by political advantage is like blaming the hyena for not being partial to harvestburgers.

I understand all that. But there seem to be some people who do not yet understand it. For their sakes, the inconsistency in Mr. Clinton's behavior ought to be more widely appreciated, as well as the hidden consistency which underlies and explains it. □

## Perspective

# Hobbes and Locke in Oklahoma City

by Loren E. Lomasky

The view from Philosophy 101.

When the Oklahoma City federal building shuddered and collapsed under the explosive force of fertilizer turned deadly, it set off reverberations that are sounding still. We have been redirected back to the basics of a civics curriculum. What is the state for? Crop forecasts, subsidies to performance artists, coal gasification plants, military bands, OSHA inspectors, surgeon general ruminations on onanism: all of these and more — much, much more — fall within the capacious ambit of the state. But although such activities have increasingly become what government *does*, they are not what government is *about*.

No one has ever stated the case with quite the chillingly persuasive clarity of Thomas Hobbes. The natural condition of human beings is not, he claimed, an Arcadian revery of joyful innocence. It does, to be sure, hold out the inviting promise of an absence of unwelcome constraints, but that is because all constraints over people's behavior are absent. And so, in the state of nature, one enjoys a perfect liberty to do what-

ever one believes conducive to securing and expanding one's powers and, thus, one's chances of avoiding a premature demise. One enjoys a right to all things, including the bodies of others. Unfortunately, everyone else enjoys that perfect liberty too, and so unlimited rights make for unlimited anxiety and terror. The state of nature is, therefore, a state of grim and unalloyed war in which lives are "solitary, poor, nasty, brutish, and short."

There can be no surcease from these evils, Hobbes argues, until men agree amongst themselves to exit the state of nature by entering into a covenant that enthrones a common judge over all, one possessed of a sufficiency of power to overawe and hold in thrall potential malefactors. With the establishment of sovereignty comes the pronouncement of binding edicts, and it is the existence of law that affords individuals the security they perpetually sought but could not find in the state of nature. It is not law, though, without tough-minded, reliable enforcement, and that is the primary and ultimate function of

governance. The state is the agency charged to hold at bay the terrors of the natural condition; all else that it may initiate is secondary.

There is, of course, one enormous peril coeval with the generation of government. Some 2,000 years earlier, in *The Republic*, Plato anticipated the dilemma posed by Hobbes's irresistible sovereign. "Who," he asks, "will guard the guardians?"

*The Republic* is a great work of political philosophy, perhaps the greatest ever written, but it provides no satisfactory answer to that question. Nor does Hobbes in *Leviathan*. To the contrary, he argues that a guarded guardian is no guardian at all. That is to say, the logic of the state is one sovereign: ultimate, unconstrained, and supreme. There is simply no alternative except the natural condition in all its rampant ferocity.

Or so says Hobbes. From this evaluation of the take-it-or-leave-it character of political rule John Locke demurs. An unlimited sovereignty, he observes, constitutes unlimited jeopardy. To suppose that the original contractors would opt for Hobbes's leviathan is, says Locke, "as if when men quitting the state of nature entered into society, they agreed that all of them but one should be under the restraint of laws, but that he should still retain all the liberty of the state of nature, increased with power, and made licentious by impunity." Human beings should not be deemed so craven and irrational as voluntarily to have traded the uncertainties of the state of nature for the certainty of tyranny without end. "This is to think, that men are so foolish, that they take care to avoid what mischiefs may be done them by pole cats, or foxes; but are content, nay think it safety, to be devoured by lions."

Locke, therefore, is willing to sacrifice the airtight logic of *Leviathan* for the breathing space afforded by limited government. But limited how? Locke is among the earliest architects of a regime of separated powers, rule of law, and, perhaps most important, natural rights that constrain both individuals and governments in their operations. But none of these, he admits, are immune to trespass and authoritarian excess. When rulers encroach and then obdurately ignore

*continued on page 69*



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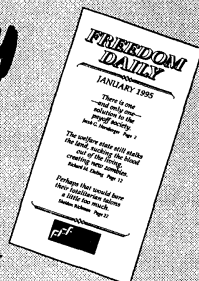
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## Exposé

# The End of Ordinary Money

by J. Orlin Grabbe

Beware your banker: by law, he's a snitch.

Late one night while sharing a pharmacological product with a spook I met in the northeastern part of the United States, I mentioned I was studying cryptology.

"Cryptology is the future," he responded emphatically. "It's what's going to protect us from Big Brother."

Since he worked for the National Security Agency (NSA), the thought did occur to me that many might consider him and his colleagues to *be* Big Brother. But I had learned years ago not to demonize people on the basis of their accidental professions. And I additionally believed that one of our best defenses against the national security state is the perennial proclivity of clandestine organizations to piss off their own employees.<sup>1</sup>

At any rate, the spook spoke the truth: cryptology represents the future of privacy — and more. By implication cryptology also represents the future of money, and the future of banking and finance. (By "money" I mean the medium of exchange, the institutional mechanisms for making transactions, whether by cash, check, debit card, or other electronic transfer.) Given the choice between intersecting with a monetary system that leaves a detailed electronic trail of all one's financial activities and a parallel system that ensures anonymity and privacy, people will opt for the latter. Moreover, they will *demand* the latter, because the current monetary system is being turned into the principal instrument of surveillance and control by tyrannical elements in Western governments. These elements want to know where your money comes from and when and how you spend it. After

all, you might be a terrorist, a drug dealer, or a spy. And if you try to hide your transactions, you are by definition a money launderer, and perhaps a child pornographer.

Say what? To understand this accusatorial juxtaposition, one only has to grasp a few simple facts: Money is digital information. The way to hide digital information is through cryptography. The government doesn't want you using cryptography, because they want to know where your money is so they can get some of it. And they don't like you using drugs, unless the government is the dealer,<sup>2</sup> or viewing child pornography, unless the government supplies it because it is setting you up for blackmail or a smear campaign.<sup>3</sup>

Okay, I'll admit it. I like privacy (I often send mail inside sealed envelopes, and sometimes I close the door when I go to the bathroom), take drugs (nothing like a cup of espresso in the morning), and don't like to pay taxes (but doesn't H&R Block make a living off this popular sentiment?). I don't know much about child pornography, but a friend of a friend is said to have a distant cousin who swears he keeps several hundred gigabytes of encrypted pictures of naked children stored in NSA computers at Ft. Meade. ("No one breaks in there," the cousin supposedly brags.)<sup>4</sup>

This is serious stuff. Consider the following items as pieces of an overall mosaic, whose ultimate meaning will become even more obscure as we proceed.

- Cryptography software is classified as munitions, and its export is restricted by the State Department. The International Traffic in Arms Regulations (ITAR) defines "encryption software" to include not only computer programs designed to protect the privacy of information, but all of the technical data about those programs. ITAR restrictions continue to be enforced, even though the Justice Department originally found them unconstitutional.<sup>5</sup> Mail a copy of your new encryption program to a friend in Italy, and — presto! — you are subject to prosecution as an international arms dealer. (It is not, however, illegal to export your program to outer space, or to deliver it to your friend by rocket, since a "launch vehicle or payload shall not, by the launching of such vehicle, be considered export for the purposes of this subchapter" [120.10].)

- Stewart Baker, chief counsel for NSA, points out how the spread of cryptology plays into the hands of pedophiles: "Take for example the campaign to distribute PGP ('Pretty Good Privacy') encryption on the Internet. Some argue that widespread availabil-

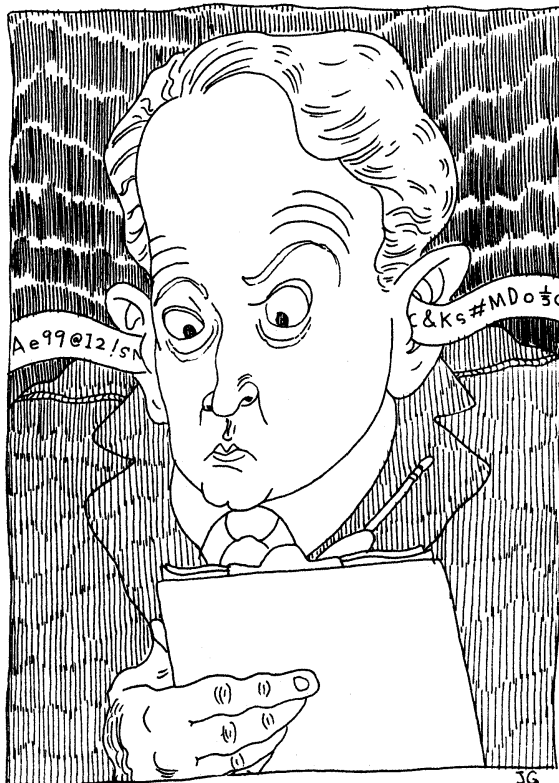
ity of this encryption will help Latvian freedom fighters today and American freedom fighters tomorrow. Well, not quite. Rather, one of the earliest users of PGP was a high-tech pedophile in Santa Clara, California. He used PGP to encrypt files that, police suspect, include a diary of his contacts with susceptible young boys using computer bulletin boards all over the country. 'What really bothers me,' says Detective Brian Kennedy of the Sacramento, California, Sheriff's Department, 'is that there could be kids out there who need help badly, but thanks to this encryption, we'll never reach them.'"<sup>6</sup> Which does lead to a few questions. Since the NSA is the largest user of encryption software in the world, does this mean NSA is rife with pedophiles? Are police suspicions to be taken as convincing evidence? And what if this alleged pedophile never kept notes in the first place?

The NSA chief counsel also noted, as he had in previous speeches, that "it's the proponents of widespread unbreakable encryption who want to create a brave new world, one in which all of us — crooks included — have a guarantee that the government can't tap our phones." Which led one observer, Bruce Sterling, to remark, "As a professional science-fiction writer I remember being immediately struck by the deep conviction that there was plenty of Brave New World to go around."<sup>7</sup>

• Georgetown University cryptologist Dorothy Denning reminds us that "Because encryption can make communications immune from lawful interception, it threatens a key law enforcement tool. The proliferation of high-quality, portable, easy-to-use, and affordable encryption could be harmful to society if law enforcement does not have the means to decrypt lawfully intercepted communications. Although encryption of stored files is also of concern, 99% of the issue is telephone communications (voice, fax, and data)."<sup>8</sup>

The reason for this is all those people on the phone dealing drugs. "Almost two thirds of all court orders for electronic surveillance are used to

fight the war on drugs, and electronic surveillance has been critical in identifying and then dismantling major drug trafficking organizations. In an operation code-named 'PIZZA CONNECTION,' an FBI international investigation into the importation and distribution of \$1.6 billion worth of heroin by the Sicilian Mafia and La Cosa Nostra resulted in the indictment of 57 high-level drug traffickers in the U.S. and five in Italy. . . . The FBI estimates that



the war on drugs and its continuing legacy of violent street crime would be substantially, if not totally, lost if law enforcement were to lose its capability for electronic surveillance."<sup>9</sup>

In fact, that's supposed to settle the issue right there: "We need such-and-such to fight the war on drugs. Case closed." This argument is used *ad nauseam* in document after document. Nowhere is the issue raised: *Oh yeah? So why are we fighting a war on drugs?* Such questions are ruled out, because we're dealing with needs here, and needs spew forth their own logic and evolve their own morals.

• One of governments' biggest needs is to get all that drug money for themselves. The U.S. State Department proposes a sort of international orgy of

government theft: "We must effect greater asset seizures, not just of bank accounts, but also corporate assets and even corporate entities. . . . We must be ready to impose appropriate sanctions against banking institutions, as well as bankers. . . . The FATF [Financial Action Task Force] countries, the twelve EU nations, the EFTA countries, and the majority of the 95 states party to the 1988 UN Convention are adopting (if not yet fully implementing) legislation that will ultimately improve individual and collective capabilities."<sup>10</sup>

Everyone is suspect. You say you want to buy some Portuguese escudos? We better keep our eye on you — you're a potential money-launderer. According to the State Department, "Entry in the European monetary system has made the escudo, which became fully convertible in 1993, more attractive to potential money-launderers."<sup>11</sup> (Perhaps they should send some investigators from Foggy Bottom up to Nineteenth Street. There's an entire building there housing an outfit called the International Monetary Fund, which was originally set up to work for currency convertibility. No telling what wicked potential money-laundering havens they're working on next.)

• The Financial Crimes Enforcement Network (FinCEN), located in Vienna, Virginia, was set up in April 1990 to track money-laundering. It was given computerized access to data from pretty much everyone — the FBI, the DEA, the Secret Service, the Customs Service, the Postal Service, the CIA, the NSA, the Defense Intelligence Agency, the National Security Council, the State Department's Bureau of Intelligence and Research, and, despite denials, the IRS. FinCEN has a \$2.4 million contract with Los Alamos National Laboratory to develop artificial intelligence programs to look for unexplained money flows.<sup>12</sup> FinCEN also proposed a "Deposit Tracking System" (DTS) that would also track deposits to, and withdrawals from, U.S. bank accounts in real time.

• Now, if you were a drug dealer (or

maybe just an average Joe), how would you react to all this unwanted attention? Try to keep a low profile, maybe? Perhaps opt out of the usual banking channels? "During the past two years, analysts saw an increasing use of non-bank financial institutions, especially exchange houses, check cashing services, credit unions, and instruments like postal money orders, cashier's checks, and certificates of deposit (particularly in 'bearer' form), with transactions occurring in an ever longer list of countries and territories."<sup>13</sup>

This process whereby money flows through non-traditional banking channels is termed *disintermediation*. Disintermediation happens whenever a government manipulates banking services in a way that makes them less attractive. For example, if bank deposits have an interest-rate ceiling of 3%, you may elect to pull your money out of bank deposits and purchase Treasury bills, which have no ceiling. In the same way, if the government is looking around in your bank account, perhaps with the idea of seizing it, or seizing you, you may elect not to have a bank account — or at least not one the government knows about. Or you may elect to use non-traditional financial channels that are less likely to be observed. The ultimate end of the process is completely anonymous banking through encrypted digital cash.

The State Department also notes with alarm that drug traffickers are "employing professional money managers." Whatever is the world coming to? The next thing you know, drug dealers will be shopping at the local grocery store and sending their children to better schools. They'll be mowing their lawns and sprucing up the neighborhood. How could we live in such a society?

• All this talk of computers has gotten the IRS hot and bothered too. Not in a negative way, mind you. The IRS has become obsessed with the noble goal of saving us time by just sending us a bill: "In an effort to catch more tax cheats, the Internal Revenue Service plans to vastly expand the secret computer database of information it keeps on virtually all Americans. . . . 'Ultimately, the IRS may obtain enough information to prepare most tax returns,' said Coleta Brueck, the agency's top document-processing official. 'If I know what you've made during the year,' she said, 'if I know what your withholding is, if I

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*All this talk of computers has gotten the IRS hot and bothered too.*

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know what your spending pattern is, I should be able to generate for you a tax return. . . ."<sup>14</sup>

We have nothing to fear, apparently, but fiends who hide their spending patterns.

How did we come to this state of catch-as-catch-can, and where are we going from here? Perhaps history will give some perspective. Let's start with that big bugaboo: drugs.

### Oh, What a Lovely War!

In the mid-1990s, the United States and other countries are spending a good deal of money on a war on drugs. It's unclear what a "war on drugs" could mean in a nation where 50 million people use tobacco, over 100 million use alcohol, and virtually everyone uses aspirin or an equivalent pain-reliever. But certainly there is a prohibition against using or dealing in *certain* drugs. Of course, these illegal drugs are

still available on the black market, despite prohibition. The market supplies the consumption needs of not only the general public, but also federal prisoners. Thus, even if the country were turned into a police state, such drugs would still be available.

Given this, what is the purpose or function of the prohibition? The simple economic rationale is this: the war on drugs is a source of profit to both those who deal in prohibited drugs and those who conduct the war against them.

The prohibition of anything entails a restriction in its supply. Restricting supply drives up the price. In 1973-74, the OPEC cartel caused a quick four-fold increase in the price of oil by restricting its supply. It also greatly increased the profit margin on each barrel pumped out of the ground. In a similar way, prohibition of drugs increases their black-market price and the potential profit margin from supplying them to the public. But legitimate businessmen are deterred from entering the market. Hence, drug prohibition creates high profit margins only for those willing to deal in prohibited products. Just as alcohol prohibition financed the growth of powerful mobsters like Al Capone earlier in the century, so has prohibition of cocaine financed the growth of powerful production and supply cartels, such as the Cali cartel in Colombia. The U.S. government's prohibition has made it possible for them to become rich and powerful.

Since trade in drugs is illegal, drug contracts cannot be enforced in court. Drug distributors cannot resort to common or commercial law. Because of this, these contracts are often enforced via the barrel of a gun. And there is no countervailing authority: those who enforce their contracts with guns may use the same method to simply eliminate competition. Territory is acquired and defended by force. As Steven B. Duke, Professor of Law of Science and Technology at Yale University, has pointed out, "The use of drugs (except, of course, alcohol) causes almost no crime." But drug prohibition *does* cause crime. The firearm assault and murder rates rose in the U.S. with the start of Prohibition in 1920, and remained high during it, but then declined for eleven consecutive years after it was repealed.

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In the U.S. today, perhaps one-third of murders are related to contract enforcement and competition over dealing territory.<sup>15</sup>

Prohibition turns others into crime victims. Because certain drugs cannot be obtained at the local neighborhood drugstore, drug consumers visit unsafe parts of a city to buy their chemicals, and are simply assaulted. Such victims, naturally, are in no position to complain to the police. Others are harmed by the lack of effective quality control. Because drugs are illegal, rip-off artists who deal in substitute or impure products know they will not be sued.

Other suppliers simply make mistakes in production, but these mistakes are not caught right away because information flow is not efficient in a non-public market. This also results in injuries — often caused not by the use of the prohibited drugs themselves, but by prohibition's constraints on the flow of information.

During the earlier era of alcohol prohibition, many of a city's leading citizens became criminals by the fact of visiting the bar of a local speakeasy. There, naturally, they associated with the proprietors, mobsters, who began to acquire increasing political influence. Today, billions of dollars in cocaine profits leads to similar widespread corruption.<sup>16</sup>

About 1.2 million suspected drug offenders are arrested each year in the U.S., most of them for simple possession or petty sale.<sup>17</sup> American police currently spend half their time on drug-related crimes. The court system is on the verge of collapse because of the proliferation of drug cases, which — because they are criminal cases — have priority over civil cases. Six out of ten federal inmates are in prison on drug charges. Probably another two of the ten are there on prohibition-related offenses. This has led to a crisis in prison crowding (40 states are under court order to reduce overcrowding), with the result that violent criminals — including child molesters, multiple rapists, and kidnappers — are often released early.

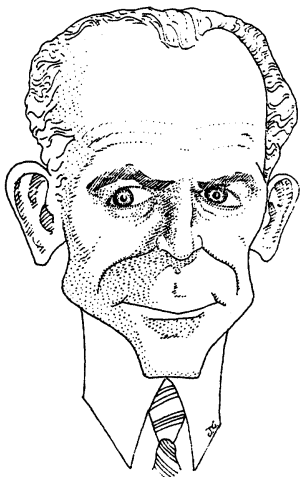
This is reinforced by mandatory sentencing laws. Consensual drug offenses are not only treated as the moral equivalent of murder, rape, or kidnapping; they are given harsher punishment. Youths are sent to prison for life for selling drugs, while murderers are eligible for early parole for good behavior.<sup>18</sup> As one example, Florida punishes "simple rape" by a maximum prison term of 15 years, second-degree murder with no mandatory minimum and a maximum of life in prison, and first-degree murder (where the death penalty is not imposed) with a manda-

tory minimum penalty of 25 years, after which one is eligible for parole — but trafficking in cocaine is punished with life imprisonment "without the possibility of parole."

The war on drugs is a war on people suspected of using, or dealing in, or otherwise being involved with drugs. But the drug industry survives because tens of millions of people engage in voluntary transactions that they try to keep secret. Hence law enforcement must attempt to penetrate the private lives of millions of suspects, suspects who could be almost anyone. So the war on drugs has become a war on civil liberties. As a Nobel Prize-winning economist wrote: "Every friend of freedom . . . must be as revolted as I am by the prospect of turning the U.S. into an armed camp, by the vision of jails filled with casual drug users and of an army of enforcers empowered to invade the liberty of citizens on slight evidence."<sup>19</sup> Unfortunately, not everyone is a friend of freedom. A mayor of New York has advocated strip-searching travelers from Asia and South America. A U.S. congressman introduced a bill to create an "American gulag" of Arctic prison camps for drug offenders. Other proposals have been even more draconian.

The drug trade is sustained by prohibition itself. Such agencies as the Drug Enforcement Administration (DEA)

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grew up to fight the drug war. Their budgets, prestige, and paychecks depend on the war's continuation. They have vast sums to spend on public relations and propaganda ("education") and a vested interest against legalization. Since these agencies profit from crime, they have an incentive to cultivate criminality as a natural resource. The sheriff of Broward County, Florida, manufactured his own crack cocaine to sell to buyers in order to arrest them.<sup>20</sup> Others employ cocaine gigolos, who then pressure unsuspecting boyfriends/girlfriends into purchasing drugs from undercover agents.<sup>21</sup> Periodically, a new "biggest ever" drug bust (such as 22 tons of cocaine in a Los Angeles warehouse) is proudly announced, with no apparent perception that such busts prove the agencies are failing in their alleged goal to eliminate drugs. Meanwhile, some government employees — drug warriors — themselves engage in criminal acts for enjoyment or to supplement their income. Drug dealers, in particular, can be killed and robbed with impunity. Forfeiture laws, which allow the seizure of money, houses, boats, cars, planes, and other property on the basis of a circumstantial connection with prohibited drugs, have also been profitable. The associate deputy attorney general in charge of the U.S. Justice Department's forfeiture program has publicly said "we're not at all apologetic about the fact that we do benefit" financially from forfeitures.<sup>22</sup>

Others are paid to extend the war internationally. Examples include Latin American coca crop eradication and substitution programs. These have had almost no success, and have created massive social problems.<sup>23</sup> Poor farmers can make four to ten times as much growing coca as growing legal crops,<sup>24</sup> they can grow coca and marijuana in regions with poor soil, and they can avoid oppressive agricultural regulations encountered with the production and sale of crops lacking an efficient alternative to government marketing organizations. The 200,000 peasant families (one million people) engaged in coca production in Peru are oblivious to campaigns urging them to "just say no" to their livelihood.

In the last few years, the use of, and hence the demand for, cocaine has fal-

len. But there are always new ways to justify increased drug war budgets. The U.S. Department of State recently noted, without irony: "The economics of the heroin trade are also important. While at U.S. street prices, cocaine and heroin are competitive, at the wholesale level heroin has a strong advantage. A kilo of cocaine wholesales for between \$10,500 and \$40,000; a kilo of heroin will fetch on average between \$50,000 and \$250,000. With the likelihood that heroin will be to the 1990s what cocaine was to the 1980s, Latin

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*The FDIC Improvement Act required the FDIC to study the cost and feasibility of tracking every bank deposit in the U.S.*

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American trafficking organizations are poised to cash in on a heroin epidemic."<sup>25</sup> And, naturally, so also are those who fight them.

At some point it occurred to these drug warriors mighty and bold that there might be easier ways to make a living. Why not just go after the cash? After all, if you go out to the poppy fields, you may get your boots muddy — and besides, bankers don't carry guns.

### 99 and 44/100 Percent Pure

The House of Representatives report that precipitated the U.S. Banking Secrecy Act of 1970 noted that "secret foreign bank accounts and secret foreign financial institutions" had been used, among other things, to "purchase gold," and to serve "as the ultimate depository of black market proceeds from Vietnam."<sup>26</sup> The report did not explain why the purchase of gold was a menace to society, nor did it elaborate on the U.S. government's role in creating a black market in Vietnam. Within a few years, ownership of gold was legalized, and the withdrawal of U.S. military forces from Vietnam eliminated the black market.

The report also noted: "Unwarranted and unwanted credit is being pumped into our markets." This was also attributed to foreign banks with secrecy laws, although the Federal Reserve (the real source of excess credit

in the years leading up to the breakdown of Bretton Woods) is not foreign.

In short, the House report was a broad-based attack with little rhyme or reason, setting the tone for future government studies of bank secrecy.

In a typical case of political double-speak, the Banking Secrecy Act was an act of legislation intended to prevent, not preserve, banking secrecy. It created four requirements that were supposed to address the issue of money-laundering:

(1) A paper trail of bank records has to be maintained for five years.

(2) A Currency Transaction Report (CTR) has to be filed by banks and other financial institutions for currency transactions greater than \$10,000. CTRs are filed with the IRS.

(3) A Currency or Monetary Instrument Report (CMIR) had to be filed when currency or monetary instruments greater than \$5,000 are taken out of the U.S. CMIRs are filed with the Customs Service.

(4) A Foreign Bank Account Report (FBAR) had to be filed whenever a person has an account in a foreign bank greater than \$5,000 in value. (The latter two requirements have been increased to \$10,000.)

These reports mostly collected unread during the 1970s. But that was to change with the growth in computerized record-keeping and artificial intelligence processing and with the escalation of the "war on drugs." In the early 1980s, a Senate staff study noted in alarm "what appears to be otherwise ordinary Americans engaged in using offshore facilities to facilitate tax fraud. These cases signify that the illegal use of offshore facilities has enveloped 'the man next door' — a trend which forecasts severe consequences for the country."<sup>27</sup>

The same report made a concerted effort to draw connections between the Eurodollar market and criminal activity, noting, "few banking authorities address the issue of primary concern to us here: criminal uses of Eurobanking." The focus was not banking fraud or theft: "The most visible and notorious aspect of offshore criminality involves drug traffic." One of the report's many recommendations was that the Treasury Department should work with the "Federal Reserve Board to develop a

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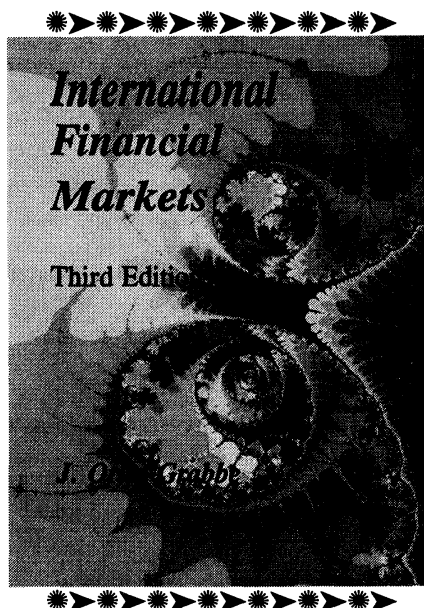
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### About the Author:

J. Orlin Grabbe has an AB in Economics from the University of California at Berkeley and a PhD in Economics from Harvard University. While teaching at the Wharton School of the University of Pennsylvania, he founded FX Systems Inc., which built banking risk-management computer software systems for trading in foreign exchange, interest rate instruments, and commodities. After selling his interest in FX Systems (which later split into the

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### Special Note to Erisians and Fnord Fans:

This is the only book on international finance which quotes both Robert Anton Wilson and the Reverend Ivan Stang!

two firms of FNX Limited and FSS), Dr. Grabbe became a short-story writer and banking consultant for derivative products in New York. He currently lives in the middle of the Nevada desert, near a cactus with a hidden computer jack, and with a .3030 close at hand.

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better understanding of the financial significance and use of currency repatriation data as well as information about foreign depositors' currency deposits." Subsequently, Panama was identified as the major banking center for the cocaine trade, and Hong Kong as the major center for the heroin trade, based largely on the amount of U.S. dollars, including cash, being returned to the Federal Reserve by, respectively, the Banco Nacional de Panama and Hong Kong-based banks.<sup>28</sup>

Thus, with that simple act, the Federal Reserve Board was transformed from an institution that watched over the currency to a co-conspirator that watched over currency users.

Efforts to trace cash movements were extended internationally. The 1984 Bank for International Settlements Code of Conduct recommended a global version of the CTR. Information from the global CTR was to be processed by the OECD and shared with tax authorities in all industrialized countries. In 1989, the G-7 countries agreed to form the Financial Action Task Force (FATF), with staffing and support to be provided by the OECD. FATF now includes 26 governments. In May 1990, FATF adopted 40 recommendations on money-laundering countermeasures. These included provisions for the creation of a global currency tracking system (the global CTR proposed earlier by the Bank of International Settlements), for financial institutions to be required to report "suspicious transactions" to law enforcement authorities, for global sting operations to be used against potential "launderers," and for electronic money movements, especially international wire transfers, to be monitored.

So beware your banker: by law, he's a snitch. He may even be a government employee. In one recent example of a global sting, government officials set up a bank in the Caribbean (Anguilla) and advertised their services in confidential banking. They then turned all the information over to tax authorities.

Did you ever wonder why uneducated people believe in international banking conspiracies?

### The Digital World of Money

Money is a mechanism for making payment. What we want from a payments mechanism is fast and reliable

service at a low cost. In current technology that means that the payment mechanism will be determined by transaction costs. For that reason, money in a modern economy exists chiefly in the form of electronic entries in computerized record-keeping systems or databases. Money exists as a number (e.g., 20) beside which is attached a currency or country label (e.g., DM or BP or U.S.\$) and also an ownership label (e.g., "Deutsche Bank" or "Microsoft" or "Jack Parsons"). Physical goods are transported to different geographical locations, but currencies, by and large, are not. This is true both domestically and internationally. A bank in London will sell British pounds to a bank in Frankfurt for deutchmarks by having the Frankfurt bank's name recorded as the new owner of a pound deposit in London,

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*The war on drugs is a source of profit to both those who deal in prohibited drugs and those who conduct the war against them.*

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while the London bank's name is recorded as the new owner of a deutchmark deposit in Frankfurt.

Payment between banks is made by an exchange of electronic messages. The scope and size of transactions mandates this type of payment mechanism. The most important communications network for international financial market transactions is the Society for Worldwide Interbank Financial Telecommunication (SWIFT), a Belgian not-for-profit cooperative. This system for transferring foreign exchange deposits and loans began actual operation in May 1977; by 1990 it had 1,812 members, connected 3,049 banks and securities industry participants in 84 countries, and carried an average of 1.1 million messages per day. SWIFT messages are transmitted from country to country via central interconnected operating centers located in Brussels, Amsterdam, and Culpeper, Virginia. These three operating centers are in turn connected by international data-transmission lines to regional processors in most member

countries. Banks in an individual country use the available national communication facilities to send messages to the regional processor. A bank in London, for example, will access SWIFT by sending messages to a regional processing center in the north of London.<sup>29</sup> The message will be received by a bank in New York via the SWIFT operating center in Culpeper, Virginia.

Within the U.S., the most important communications-money channels are Fedwire and CHIPS. Eleven thousand depository institutions have access to Fedwire, the electronic network system of the Federal Reserve System. (About a thousand of these access the system through the New York Fed.) In 1991 an average of \$766 billion daily went through the net, of which \$435 billion involved the New York Fed. The average size of a funds transfer was \$3 million. There were 258,000 average daily transfers.

The New York Clearing House Association (twelve private commercial banks) operate the Clearing House Interbank Payments System (CHIPS) to settle foreign exchange and Eurodollar transactions. CHIPS connected 122 participants in 1991. On an average day, \$866 billion goes through the CHIPS network, with 150,000 average daily transfers (or an average transfer size of about \$5.7 million). Sometimes there are large fluctuations in the level of payments. On January 21, 1992, \$1.5977 trillion went through the CHIPS system — the entire U.S. M1 money supply turned over several times on that single day. The CHIPS system maintains an account at the New York Fed. Much of the nation's money flows through what is literally an underground economy: the computer banks located beneath 55 Water Street in Manhattan.

These systems, even the Fedwire system, did not arise through centralized government planning. As Patrikis, Baxter, and Bhala have noted, they "evolved in almost a 'natural' manner; no one at the Board or at a Reserve bank ever sat down and said 'let there be a wire transfer system.' Thus, Fedwire can be regarded as an example of a market tendency to evolve, over time, in an efficient manner."<sup>30</sup> In Europe, banks have available CEBAMAIL, a shared voice and data network established by European cen-

tral banks and later expanded to other users. European banks also use IBM's International Network and DIAL service to communicate with the Bank for International Settlements in Basle, Switzerland, and with each other.

Money, then, is part of the worldwide information superhighway. The Clinton administration's proposal for a "National Information Infrastructure" was announced in 1994: "All Americans have a stake in the construction of an advanced National Information Infrastructure (NII), a seamless web of communications networks, computers, databases, and consumer electronics that will put vast amounts of information at users' fingertips. Development of the NII can help unleash an information revolution that will change forever the way people live, work, and interact with each other."<sup>31</sup>

To be sure, the ensuing hype has made the whole thing sound like more circuses to keep the masses pacified and thirsty: 500 channels of MTV with beer and Pepsi ads, and insurance salesmen popping out of your home computer. But the information revolution was already well underway, and had been so for years. The real agenda for government involvement was stated in a White House press release of April 16, 1993: "Sophisticated encryption technology has been used for years to protect electronic funds transfer. . . . While encryption technology can help Americans protect business secrets and the unauthorized release of personal information, it also can be used by terrorists, drug dealers, and other criminals."

In fact, almost all modern technology, from can openers to automobiles, can be used by terrorists, drug dealers, and criminals — even the thieves in the Justice Department who preside over asset forfeitures. But what is special about cryptography is that it threatens to slow or nullify the effectiveness of government-sponsored computer surveillance.

### The Growth of the Information Superspyway

The National Security Agency is the U.S. intelligence agency responsible for collecting electronic and signals intelligence. Its activities include monitoring

the conversations of foreign leaders, listening in on most international communications (including financial transactions), breaking codes, and setting the cryptological standards for U.S. military and security agencies.<sup>32</sup> In 1975, at the University of California at Berkeley, I made a special trip over to the employment office to see the NSA recruitment posters. They were, after all, a novelty. Hardly anyone knew the NSA ("No Such Agency") existed, and the word was just getting around that mathematicians could compete with physicists for Defense Department largesse.

A couple of years later, Bobby Inman departed his post as head of Naval Intelligence to become head of NSA. Soon thereafter, the NSA began harassing certain mathematicians in the

private sector, claiming "sole authority to fund research in cryptography."<sup>33</sup>

In those days such a monopoly was possible. The computer culture was hierarchically structured and mind-bogglingly pedantic. Peon programmers produced a token 20 lines of code per day, allowing them plenty of time to attend "efficiency" meetings. Systems analysts involved themselves in busywork — creating elaborate flow charts to explain self-evident routines. Only those who learned to toe the line were allowed gradual access to better equipment and more CPU time. NSA, meanwhile, was one of the top markets for expensive, sophisticated computer equipment. If you wanted to be a cryptologist,<sup>34</sup> you bit the bullet and bowed to NSA and IBM.

*continued on next page*

## Public-Key Cryptography in One Easy Lesson

Eager students can read David Kahn's exhaustive history of cryptography, *The Codebreakers: The Story of Secret Writing* (1967), but for here, we will only focus on the tail-end, post-Kahnian part of the story: "public-key cryptography." Readers with a particular interest in this branch of the discipline might want to pick up Bruce Schneier's *Applied Cryptography* (1994), the best accessible book on the subject.

Public-key cryptography relies on two scrambling devices, called "keys." There is a public key P and a private key R. Suppose I write a sweet, sensitive love letter, filled with spiritual values, genetic imperatives, and sexual innuendo, to my current flame Veronica. Let's refer to this letter as message M. I sign it with Veronica's public key P, producing the encrypted message P(M). Anyone looking at P(M) will only see a string of meaningless symbols, gibberish. When Veronica receives it, she will apply her private key R to the encrypted message, producing R(P(M)) = M, turning the apparent randomness into tears, joy, and erotic fantasy.

The key pairs P and R must have

the relationship that for any message M,  $R(P(M)) = M$ . In addition, it should be practically impossible for anyone to determine M from P(M), without the associated private key R. For any other private key R',  $R'(P(M))$  is not equal to M — it's still gibberish. The key pairs P and R also have the commutative relationship  $P(R(M)) = M$ : if you encrypt a message with your private key R, then anyone can decrypt it using your public key P.

Being able to send secure messages is one function of public-key cryptography. Another function is authentication. Suppose you sent a message M to Bill Bradford. He receives the message M\*. Bill doesn't know whether M\* is really from you; or, even if it is from you, whether it has been altered in some way. The solution to this problem, using public-key cryptography, is that you also send Bill a digital signature S along with the message M. Here is how this authentication process works.

For simplicity, assume you don't even encrypt the message to Bill. You

*continued on next page*

The federal encryption standard for unclassified government computer data and communications, an encryption algorithm called Lucifer, had been developed by IBM in the early '70s. It was later certified by a civilian agency, the National Bureau of Standards (now NIST), as the Data Encryption Standard (DES) in 1976. Unlike public-key cryptography, which uses two "keys" (either one of which may be used to encrypt a message, but only one to decode it — see sidebar), DES was a symmetric key system, using a single key to both encrypt and decrypt. Because of this, DES could be used for encryption or authentication, but not both simultaneously.

Through the American Bankers Association and ANSI's Financial Institution Wholesale Security Working Group, DES entered the banking world as a method of encryption and message authentication in electronic funds transfer. But for digital signatures it made more sense to rely on public-key cryptography. And although the NIST

began to solicit public-key cryptographic algorithms in 1982, it didn't approve anything for another decade, so both federal agencies and private organizations, including banks, began to look to commercial sources of digital signature technology. (They basically settled on one called the Rivest-Shamir-Adleman, or RSA, system.)

Meanwhile, the anarchy of the personal computer had been unleashed. The PC allowed one person to be in charge of the entire software development process. This person could be hardware technician, systems analyst, mathematician, programmer, artist-in-residence, and general hell-raiser rolled into one. Just as Gutenberg inspired later generations to learn to read precisely because they had acquired the ability to write, so did the microprocessor inspire a generation of talented and creative people to absorb themselves in computer-accentuated tasks which no longer required interaction with a phalanx of mandarins whose notion of Eros was a COBOL routine to insert Tab A

into Slot B. To be sure, the PC was not powerful enough to break codes (cryptanalysis), but it was a good enough tool for creating cryptography software.

In 1980, Executive Order 12333 made the secretary of defense the government's executive agent for communications security. In 1984, Reagan's National Security Decision Directive 145 shifted the responsibility for certifying DES-based products to the NSA, and expanded the role of the secretary of defense to telecommunications and information systems. The director of the NSA was made responsible for the implementation of the secretary's responsibilities. In 1986, the NSA created an uproar: it said it would no longer endorse DES products after 1988, and would substitute a new set of incompatible and classified hardware standards. Banks and software vendors weren't happy with the news because they had only recently invested heavily in DES-based systems. But Congress effectively rejected the directive's fed-

### "One Easy Lesson," *continued from previous page*

just send him the plain message M: "Dear Bill: You are wrong and I am right. Here is why, blah blah blah [for a few thousand words]." Then you sign it by the following procedure.

First you chop your message down to size, to produce a (meaningless) condensed version, where one size fits all. To do this, you need a message chopper called a *hash function*. You apply the hash function H to the message M to produce a "message digest" or "hash value"  $H(M)$  which is 160 bits long. You then sign the hash value  $H(M)$  with your own private key R, producing the signature  $S = R(H(M))$ .

The receiver of the message, Bill, applies the same hash function to the received message  $M^*$  to obtain its hash value  $H(M^*)$ . Bill then decrypts your signature S, using your public key P, to obtain  $P(S) = P(R(H(M)))$ . He compares the two. If  $H(M^*) = P(R(H(M)))$ , then he knows the message has not been altered (that is,  $M^* = M$ ), and that you sent the message. That's because the equality will fail if either (1) the message was signed with some other private key  $R'$ , not yours, or if (2) the received message  $M^*$  was not the same as the message M that was sent. It

could also fail for other reasons, such as a signature garbled in transmission (solution: re-send it) or disagreement on the hash function (solution: adopt a common standard, such as the Secure Hash Standard).

By some accident, of course, Bill might find  $H(M^*) = P(R(H(M)))$  even if the message has been altered or is not from you. But the odds of this happening are roughly 1 in  $2^{160}$ , which is vanishingly small. And even if this happens for one message, it is not likely to happen with the next.

The Clinton administration proposed the Escrowed Encryption Standard (EES) to combat this opportunity for privacy. The EES involved a bulk data encryption algorithm called Skipjack, contained on a tamper-resistant chip called the Clipper Chip. The chip would be manufactured by VLSI Logic and programmed with the algorithms and keys by Mykotronx at a facility in Torrance, California. Each chip would contain a trapdoor that would allow the government, using a two-part key, each half deposited with a different escrow agency, to decode any communications sent through the chip.

The EES also implemented the Capstone Chip, which includes Clipper's Skipjack algorithm and adds to it digital signature, hash, and key-change functions. While Clipper is mostly intended for telephone communication, Capstone is designed for data communication. Finally, there's Tessera, a PCMCIA card that contains a Capstone Chip.

Here is how the process works. In addition to the Skipjack encryption algorithm, each chip will contain a 80-bit family key F that is common to all chips; a 30-bit serial number N; and an 80-bit secret "unique" key U, which can be used to unlock all messages sent through the chip. Suppose I have my secure device get in touch with Veronica's secure device. The first thing that happens is our two chips agree on a randomly generated 80-bit symmetric session key K, which will be used only for this one conversation. The Clipper Chip takes our whispered message stream M and encrypts it with K, using the Skipjack algorithm, producing the encrypted message  $K(M)$ . Simple enough. But my chip also has other ideas. As an entirely separate process, it also takes the session key K and



eral computer security plan by passing the Computer Security Act of 1987, and DES was reaffirmed anyway.<sup>35</sup> Changes in technology were creating both new security concerns and spying opportunities. On the one hand, a rank amateur with a scanner could sit in his apartment and monitor his neighbors' cordless and cellular telephone conversations. (After all, if a signal makes it into your bedroom, you may feel you have a right to tune it in.) On the other hand, the NSA could in the same way make use of the electromagnetic signals sent out by computer hardware components. Unshielded cables act as radio broadcast antennas. Related signals, especially from the computer's monitor and CPU, are sent back down the AC power cord and out into the building's electrical wiring. Signals may also be transmitted directly into the phone line through a computer modem — even if it isn't in use. These frequencies can be tuned, so that what appears on one person's computer screen can be displayed on an

observer's screen a block away. There were no laws against monitoring computer radiation then, and there are none now, so the NSA can take the position that it is doing nothing illegal by parking its monitoring vans in domestic spots in New York, Chicago, San Francisco, and Washington, D.C.<sup>36</sup>

The erosion of the spying monopoly led to the 1986 Electronic Communications Privacy Act (ECPA), which prohibited phone and data-line tapping — except, naturally, by law enforcement agencies and employers. ECPA made cellular (but not cordless) phone monitoring illegal. President Bush would later sign a second law that prohibited even the manufacture or import of scanners that are capable of cellular monitoring. But the latter law was nonsensical, since every cellular phone is itself a scanner. In a demonstration for a congressional subcommittee, it took a technician only three minutes to reprogram a cellular phone's codes so that it could be used for eavesdropping.<sup>37</sup>

With the worldwide collapse of Communism, federal agents quickly discovered a new fount of terrorist activity: teenage hackers. The Secret Service crusade to conquer children started in 1986, when Congress passed the Computer Fraud and Abuse Act, and culminated in May 1990 with Operation Sun Devil, in which 42 computer systems were seized around the country along with 23,000 floppy disks.

One college-age hacker, Chris Goggans (a.k.a. Eric Bloodaxe), upon receiving information that led him to suspect the coming raid, went home and (like any good host) cleaned and vacuumed his apartment, placed little notes in drawers ("Nope, nothing in here"; "Wrong, try again"), and adorned his desk with brochures from the local Federal Building — *How to Become an FBI Agent, How to Become a Secret Service Agent*, etc. The raid came one morning while Goggans was in bed. "Leading the pack is Special Agent Tim Foley," Goggans recounts, "and he's got his service revolver out, and

encrypts it with the secret key U, producing  $U(K)$ . Then it tacks the serial number N on to the end of the encrypted session key, giving the sandwich  $U(K)+N$ . Then it takes the family key F and encrypts the sandwich, giving  $F[U(K)+N]$ . The encrypted sandwich,  $F[U(K)+N]$ , is called the Law Enforcement Access Field, or LEAF.

Both my encrypted message  $K(M)$  and the LEAF,  $F[U(K)+N]$ , are sent out over the telephone line. Veronica's chip receives both these, but mostly ignores the LEAF. Her chip simply takes the previously agreed session key K and uses it to decrypt the message, yielding  $K[K(M)] = M$ .

Now suppose Fred is a horny FBI agent who wants to listen in on all this. He gets a warrant (maybe), and has the phone company plug him into the conversation. With his listening device, he siphons off both my encrypted message  $K(M)$  and the LEAF,  $F[U(K)+N]$ . As a member of the FBI he is allowed to know the family key F, which he uses to decrypt the LEAF, yielding the sandwich:  $F[F[U(K)+N]] = U(K)+N$ . So now he knows the serial number N. He then takes N along with his warrant over to the first escrow agency, which gives

him half of the secret key, U1. He takes N with his warrant over to the second escrow agency, which gives him the other half, U2. He now knows the secret key  $U = U1+U2$ . He uses U to decrypt the encrypted session key:  $U[U(K)] = K$ . Now he knows the session key K, which he uses to decrypt my encrypted message:  $K[K(M)] = M$ . To his great disappointment, he discovers I was only calling to thank Veronica for the pepperoni and cheese pizza she sent over.

Although the NSA has kept the details of its Skipjack algorithm classified, it has revealed that Skipjack uses 80-bit keys and scrambles the data for 32 steps or rounds. The earlier standard, DES, uses 56-bit keys and scrambles the data for only 16 rounds. Skipjack's secrecy has hurt its credibility. The details of DES are public, and people have probed it for years and failed to find any weaknesses, so people are confident of its security. The primary reason for Skipjack's classification appears to be an attempt to prevent its use without transmission of the associated LEAF field.

An outside panel of experts concluded there was no significant risk

that messages encrypted with the NSA's Skipjack algorithm would be breakable by exhaustive search in the next 30 to 40 years. But the same cannot be said for the Clipper Chip protocol as a whole. Matthew Blaze, a researcher at AT&T, has shown there are ways to corrupt the LEAF, so that the session key K cannot be recovered, and hence messages cannot be decrypted. (See Matt Blaze, "Protocol Failure in the Escrowed Encryption Standard," AT&T Bell Laboratories, June 3, 1994.)

Of course, if you are sending data files and not voice, you can ignore the presence or absence of the Clipper Chip altogether. Just encrypt your file with, say, Pretty Good Privacy before you send it through the Clipper Chip. Thus your original message is an already-encrypted file, and it won't matter if FBI Fred reads it or not.

But things aren't so simple with voice messages. So the first target for a government ban is alternative encryption devices for voice communication, particularly if the Clipper Chip doesn't catch on. Which would be nothing new: for years ham radio operators have been prohibited from using encryption on the air.

—J. Orlin Grabbe

he's got it pointed at me. He's a pretty big guy and I'm me. . . . Hackers are a notoriously violent group of people who are known for their physical prowess, so guns are definitely always necessary."<sup>38</sup>

Paranoia verged on the imbecilic. AT&T (Bellcore) Security found a description of 911 system administration, called "E911," on one bulletin board service. They claimed in court that the theft of this information was worth exactly \$79,449, but the case fell apart when the defense showed the same information, with more technical details, was publicly available from AT&T for just \$13.

The FBI, meanwhile, was undergoing culture shock. Telephone carrier signals were now digital and multiplexed, so that any specific channel might be interleaved among many others in a continuous stream of bits that the FBI could no longer access with only a pair of alligator clips. In March 1992 the FBI proposed Digital Telephony legislation (code-named in FBI documents "Operation Root Canal") that would require private industry to provide access ports in digital equipment for the purpose of tapping specific conversations. The 1992 Digital Telephony proposal would have also given the Justice Department the unilateral and exclusive authority to enforce, grant exceptions to, or waive provisions of the law, or to enforce it in Federal Court.

The FBI proposal didn't sit well with the General Services Administration (GSA), the largest purchaser of telecommunications equipment for the U.S. government. GSA noted that the "proposed bill would have to have the FCC or another agency approve or reject new telephone equipment mainly on the basis of whether the FBI has the capability to wiretap it." So GSA opposed the legislation for security reasons, noting it would "make it easier for criminals, terrorists, foreign intelligence (spies) and computer hackers to electronically penetrate the public network and pry into areas previously not open to snooping. This situation of easier access due to new technology changes could therefore affect national security."<sup>39</sup> Ironically, the World Trade Center was subsequently bombed by a group that was already under FBI sur-

veillance, so one could make a case that *voyeurism*, not public security, was the real intent of the proposed legislation.<sup>40</sup>

The Computer Security Act of 1987 had authorized a U.S. government project to develop standards for publicly available cryptography. On April 16, 1993, the Clinton administration announced two new controversial Federal Information Processing Standards that embodied Capstone's principal elements. These were the Escrowed Encryption Standard (EES) — a.k.a. "Clipper" — and the Digital Signature Standard (DSS). All private companies

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*In a typical case of double-speak, the Banking Secrecy Act was intended to prevent, not preserve, banking secrecy.*

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doing business with the government might be affected.

The EES was promulgated by the Clinton Administration as a voluntary (for now, anyway) alternative to the Data Encryption Standard (see sidebar). Industry was urged to build the EES into every type of communication device: computer modem, telephone, fax, and set-top TV converter. Of course, doing so (surprise, surprise) makes a product subject to State Department ITAR export controls. But AT&T promptly popped the Clipper Chip into the AT&T Security Telephone Device 3600, which has a retail price of about \$1,100, because they had been "suitably incentivised." (More on that below.) Despite generating universally negative comments, EES was approved by the Department of Commerce as a federal standard in February 1994.

The future of the EES may depend on the purchasing power of the U.S. government. A memorandum prepared for the acting assistant secretary of defense noted a number of U.S. computer industry objections to a trapdoor chip such as the Clipper Chip: "The industry argues persuasively that overseas markets (much less drug lords or spies) will not look with favor on U.S. products which have known trapdoors

when offshore products which do not have them are available. In support of their argument, they note that powerful public-key cryptography developed and patented by RSA using U.S. tax dollars is free to developers in Europe, subject to royalties in the United States, and cannot be exported without expensive and time-late export licenses. These charges are true. . . . Despite these concerns, the President has directed that the Attorney General request that manufacturers of communications hardware use the trapdoor chip, and at least AT&T has been reported willing to do so (having been suitably incentivised by promises of government purchases)."<sup>41</sup>

The second announced standard, DSS, uses a Digital Signature Algorithm (DSA) to authenticate the source and validity of messages.<sup>42</sup> Digital signatures are the equivalent of handwritten signatures on legal documents. While there is as yet no body of case law dealing with the subject, documents signed with proper digital signatures will almost certainly be legally binding and will probably also have the same legal standard as handwritten signatures.

The computer industry had generally wanted the U.S. government to choose instead the RSA algorithm, at that point the most widely used authentication algorithm. The banking and financial services industry was using both the RSA algorithm and a modified form of the DSA algorithm.<sup>43</sup>

That both EES and DSS were rushed onto the market to break the spread of good cryptography in the private sector has been acknowledged even by a government agency, the Office of Technology Assessment (OTA): "In OTA's view, both the EES and the DSS are federal standards that are part of a long-term control strategy intended to retard the general availability of 'unbreakable' or 'hard to break' cryptography within the United States, for reasons of national security and law enforcement. It appears that the EES is intended to complement the DSS in this overall encryption-control strategy, by discouraging future development and use of encryption without built-in law enforcement access, in favor of key-escrow encryption and related technologies."<sup>44</sup>

*continued on page 66*

## Speculation

# Uncivil Disobedience

by Pierre Lemieux

Would Henry David Thoreau have obeyed stop signs in Outremont, Quebec?

In the town where I live — Outremont, a wealthy suburb just adjacent to downtown Montreal — a kind of civil disobedience has spread to even higher levels than elsewhere in Montreal: drivers don't obey stop signs. They barely slow down, give a quick look left and right, and speed on.

I have often reflected on this phenomenon, not only because I risk being run down while jogging, but because it raises some interesting questions about civil disobedience.

There is something tonic in observing a large number of people act as if a particular law did not exist. Suppose they made laws, and nobody obeyed. Suppose they sent out income tax forms, and nobody returned them. Learning to say *non serviam* to the state has become a crucial necessity.

Indeed, blind obedience to formally approved laws is one of modern America's puzzling features. One understands why felonies that carry a high probability of heavy penalties (say, insider trading) are not openly broken. But most Americans seem to comply blindly with petty prohibitions, such as those that have thrown smokers, those modern niggers, out of "public places" (most of which are actually private places open to the public). This may not be true in southern Louisiana or in Montgomery County, Indiana, but university professors have told me that they do not dare to smoke even in their own offices. In many states, traffic on three-lane highways crawls at African trail speed. In other countries — say, France, and to a certain extent, Quebec — such petty laws are much more difficult to enforce

because people don't cave in to whatever the state says.

### Thoreauvian Disobedience

Is it an act of civil disobedience to run a stop sign? Civil disobedience means a conscious refusal to obey laws or government commands when they are deemed unjust. As Henry David Thoreau wrote in *Civil Disobedience*: "It is not desirable to cultivate a respect for the law, as much as for the right." If injustice is more than just "friction" in the "machine of government," if it "requires you to be the agent of injustice to another, then, I say, break the law." Thoreau himself refused to pay taxes to finance a government that supported slavery and waged war with Mexico.

It is not clear that stop signs are unjust, that they violate anybody's rights. This brand of traffic laws creates, or embodies, expectations that make life easier. It reduces the probability of accidents at little cost. It decreases information requirements: when you have the right of way, you do not have to watch constantly for somebody not yielding. French drivers, for instance, drive fast, change lanes, and will engulf in any interstice to gain a few meters. Yet they follow so religiously the yield-to-the-right rule that you can drive virtually with-

out looking on your left-hand side. Outremont drivers don't follow any rule, so you don't know who has the right of way, and the bullyest wins.

Well, sometimes. At the time I was working on this article, one of my sons gave me a ride from the office. While driving home, we were probably, as usual, denouncing the state when my son dutifully made his first stop entering Outremont. The car following us screamed to a halt and nearly bumped us, as the guy could not imagine we would actually stop. Which we did again for all the following stops.

Right-of-way rules don't have to wait for legislation to come into force. The application of game theory to social interaction has shown how, under certain conditions, it is in everybody's interest to abide by rules, and that such rules will spontaneously evolve and gain force without the state's coercive powers. Indeed, one of the main illustrations of spontaneous solutions to "Prisoner's Dilemma" problems is how it is in everybody's interest to drive on the right-hand (or left-hand) side of the road, once it is perceived that more than half of the drivers follow the rule. But the simple fact that an evolved (or would-be-evolved) rule has been given the force of law does not diminish its usefulness. Breaking it

only because it's a law undermines an efficient rule on which other people count; it violates other people's expectations.

An expectation, of course, is not identical to a right. The fact that most people expect you to pay "your" income tax does not give them a right to force you to do it. If you have a right to your income, any expectation that runs counter to that right is null and void. Yet many expectations do not contradict rights. Some are mere social rules that facilitate the exercise of individual rights. Other expectations may be intimately linked to the foundations of individual rights if, as Robert Sugden argued, moral rights derive from expectations grounded in the nature of things: property rights, for instance, may embody expectations based on the natural right of the first occupant. Breaking a rule that stems from either right-consistent or right-creating expectations only because it happens to be a state law does not lead to anarchy, but to random disorder. One does not commit murder only because the state forbids it.

Thoreau understood well the difference between resisting unjust laws and cheating on your neighbors' legitimate expectations. "I have paid no poll tax for six years," he wrote. "I was put into jail once on this account, for one night." But he adds: "I have never declined paying the highway tax, because I am as desirous of being a good neighbor as I am of being a bad subject." When he visited Quebec City in 1850, he was surprised to meet so many soldiers in the streets, "all passengers giving way to them, even the *charette*-drivers stopping for them to pass." There is a dif-

ference between not respecting a neighbor's right of way, and running down a soldier who has not yielded to you.

Whether or not breaking a law amounts to civil disobedience depends both on the nature of the law and the purpose of the violator. Individuals operating on the black market or even driving fast but carefully on the freeway may be conscious of violating unjust, or at least stupid, laws. I sus-

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*In a sense, anarchy can only work when people hold their spoons and forks correctly.*

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pect that people who disobey stop signs, though, seldom feel that they are resisting an unjust law. Without conscious resistance on the one hand, and an unjust law to resist on the other hand, there can be no civil disobedience — at least in the moral, Thoreauvian sense of the word — only *petty disobedience*.

It might be that petty disobedience serves as a psychological outlet for people obliged to yield continually before more serious infringements of their liberty, and who have interiorized their slavery to the point of thinking that liberty means violating stop signs or cheating their neighbors. In Outremont, you can sometimes see in the drivers' defiant faces what a great statement of individual sovereignty they think they are making by shifting in second gear. Now, these same people, who are heroically risking a tiny probability of a \$100 fine and three points off their driver's license, would not dare carry a

revolver in their car, which would make them liable to a felony and a 10-year jail sentence. What a paradox! A peaceful citizen carrying a gun does not impose any cost on third parties — he actually creates a positive externality through crime deterrence — while shooting

a stop sign endangers the welfare of others.

In Outremont, even police cars often don't make full stops. One explanation is that we have good cops who are just like ordinary townspeople and will substitute individual judgment for blind obedience when they have a chance. This explanation is wanting. For one thing, the cops are not really townspeople, since all local police forces were legally disbanded in the '60s and replaced by an impersonal metropolitan police. Furthermore, the same cops who cheat on stop signs dutifully carry out orders to ticket others who run stop signs. More seriously, they will also arrest people with illegal, unregistered, or just "unlawfully stored" firearms, as well as honest citizens using legal guns in self-defense. A better explanation is that we have bad cops with little judgment, who do not believe in rules or laws but only obey direct orders.

One must not discount the sheer inefficiency of the state, which also has some bearing on the stop sign question. As Montesquieu said, useless laws weaken necessary ones. In Outremont, virtually all intersections without traffic lights have stops on all four corners. Presumably, this stems from a good intention: slowing down the traffic. Or perhaps it is just that, in case of doubt, the bureaucrat will issue four commands instead of two. In any event, four-corner stops arouse the free-rider instinct: if the other guy stops anyway, why should I? It would not be the first time that state processes not only impede the emergence of private solutions to coordination problems, but also impose counter-productive solutions.

### Knives, Forks, and the Economics of Disobedience

Ordered anarchy, suggests James Buchanan in *The Limits of Liberty*, works only when people — or at least most people — abide by rules. When they don't, everybody yearns for Leviathan. Using theories of spontaneous social order, a good case can be made that anarchy would foster the development of the very rules that make it workable. These rules are not only the ones that define, and draw the limits of, individual rights: they probably also include evolved rules of etiquette. In a sense,



"Gee, I guess we oversimplified our lives."

anarchy can only work when people hold their spoons and forks correctly.

In this perspective, violating stop signs looks more like anti-social, anti-anarchist behavior. Even in a minimal state, even in anarchy, there would exist basic rules of conduct that would take their force from the fact that everybody, or almost everybody, understands or accepts their role in sustaining a free society and follows them. Should such a rule happen to obtain in our statist society, it is among those to be retained, not discarded.

The only way out of this conclusion would be to argue that any lawbreaking is good *per se*, as it will bring down the statist system and move us toward anarchy. But such lawbreaking should be done consciously, in a Thoreauvian way: "I, Henry Thoreau, do not wish to be regarded as a member of any society which I have not joined. . . . It is for no particular item in the tax bill that I refuse to pay it. I simply wish to refuse allegiance to the State, to withdraw and stand aloof from it effectually." With petty cheating instead of principled civil disobedience, one wonders

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*There is something tonic in observing a large number of people act as if a particular law did not exist.*

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what kind of people would crawl, crooked and crippled, into the light of liberty.

Consider black markets for, say, smuggled cigarettes. Having been a customer myself, I know how economically useful these markets are. In Canada, they have even forced governments to retreat on tobacco taxes (until the government eventually decides to increase the taxes again). There is no question that such black markets do not violate anybody's rights or legitimate expectations, and that they provide a useful built-in restraint against Leviathan. Both their morality and economic efficiency would therefore appear to be unquestioned. *Idem* for tax evasion. But then, consider their dynamic effects on moral character and the foundations of a free society. Is it not possible that people who, in self-defense, learn to cheat

and hide in their public dealings will carry this morality to their private affairs?

One major piece of empirical evidence suggests a positive answer. The Soviet empire was able to survive so long because of black markets and other forms of petty disobedience. Many economists (including myself) assumed that the crumbling of the system, especially in the context of widespread calls for economic freedom, would foster immediate economic growth and individual liberty. This is obviously not happening. The standard economic explanation is that these people lack the basic institutions needed for a functioning market economy. Local tyrants took this to mean that they had to establish an income tax system and create Western-style regulatory agencies. But the lack of social institutions means more than this: it means that individuals used to circumventing rules that always worked against them have simply not learned to follow the basic rules that make an ordered anarchy possible.

Indeed, one of the most deleterious effects of state power in our time has been to undermine spontaneous morality, honesty, openness in social relations (think about sexual harassment), and individual responsibility. The state, supposedly required to provide public goods allegedly unavailable on the market (like public protection), has been the grave-digger of the main — and perhaps the only real — public good: an enlightened, independent, and moral populace.

### Knowing to Disobey

If we obey, we all become slaves in the name of the system. If we disobey, we will all become Eastern Europeans when the system crumbles. Happily, this dilemma does not exhaust the alternatives. If petty disobedience is a necessary evil — sometimes justifiable, sometimes not — real, principled, Thoreauvian, civil disobedience to major tyrannical laws is a positive virtue and should be promoted. One of André Thirion's heroes, at the end of his play *Défense de . . .*, states a great maxim: "*Savoir désobéir* — Knowing [how and when] to disobey." There are things that a free man will not mind obeying, if only because he has a moral duty or contractual obligation to do so.

But he will disobey state commands that violate his sovereignty — "cost what it may" said Thoreau.

Up to a point, the state has one useful feature: it provides a locus for disobedience. The state should exist (if it should exist at all) to be hated. Thoreau talks about the "very few — as heroes, patriots, martyrs, reformers in the great sense, and men — [who] serve the state with their consciences also, and so necessarily resist it for the most part." In this perspective, libertarianism may be

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*One does not commit murder only because the state forbids it.*

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better conceived as a discovery process than as an ideal state of the world.

After having been released from his night in prison, Thoreau was soon, as he said, "in the midst of a huckleberry field, on one of our highest hills, two miles off, and then the State was nowhere to be seen." Wouldn't it be nice today to know of places where the state is nowhere to be seen? Suppose that the size of the state was cut only in half. This would still not be paradise; many of the libertarian criticisms of the state, from Locke to Spooner, would still hold; and ways would still be needed to keep Leviathan in check. But in the meantime liberty would have increased greatly. Spaces of liberty would appear with the state nowhere to be seen. We could then support many small irritants, and hate the state, without feeling everyday threatened in our basic liberties.

Although I am not a Thoreauvian scholar, I think the Walden philosopher would not have violated stop signs in Outremont. Such petty, egoistic, cynical, wrong-headed, and questionable disobedience leads in the wrong direction. Driving 15 or 25 miles an hour above the speed limit on freeways (as people casually do in Quebec) is more ethical and more economically efficient. Black markets and tax evasion are one notch higher, although they may also carry more long-term moral hazards. All this cannot replace the grand, principled, and efficient civil disobedience Thoreau was advocating. □

## Platform

# De-Inventing Government

by Ed Crane

On April 6, 1995, author David Osborne for "reinventing government" at a meeting of the Philanthropic Roundtable. Then the head of the Cato Institute took the mike to respond . . .

Let me first say that I think it's interesting to observe how David kind of slips by the issue of our \$1.6 trillion federal government. It may be 30 square miles bounded by reality — although you'd have to subtract the new Cato Institute building from that total — but it's also the home of Al

Gore's much-ballyhooed Reinventing Government Project. If reinventing government's what we're about, why not look at how things are going inside the Beltway with an administration that is, after all, as adept at tossing around business management jargon as David Osborne is?

Could the answer be that, as Peter Drucker points out in his recent piece in *The Atlantic Monthly*, things aren't going so well? Most of what Al Gore's reinventors have come up with are, in fact, reinventions of what Peter Grace came up with during the Reagan years, but which were never implemented. Indeed, Drucker says Gore's team will be lucky if they streamline the federal government by two-tenths of one percent. The vice president's efforts are a case study in why reinventing government is a problematic undertaking.

In the preface to *Reinventing Government*, David Osborne and his coauthor write, "We believe deeply in government. We do not look at government as a necessary evil." That they do believe deeply in government is obvious from the book and from David's thoughtful comments this afternoon. Indeed, if I believed deeply in government, I'd no doubt find David's call for reinventing government to be nothing short of inspiring,

because it is filled with insight, intelligence, and a clear commitment to making government work.

But, alas, as some of you in this room are aware, I don't believe deeply in government. The truth is, I hardly believe in government at all. I take seriously the Jeffersonian admonition that the government which governs best, governs least. The sum of good government to Thomas Jefferson, of course, was one "which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned."

David Osborne has government doing a bit more than that, and therein lies the rub in terms of commenting on his presentation. Because while it's hard to find fault with the idea of making government more responsive, less bureaucratic, and more efficient, it is much less difficult to question the wisdom of the analogy he employs in the very first chapter of his book — namely, the idea that it's the job of government to *steer*, rather than to row, the boat called America. There is, I should say, something of a conces-

sion on David's part that when you get down to specifics, very often government is ham-fisted in the way it does things. It's not a very good rower. But without much in the way of an explanation, we're asked to assume that in something which is ultimately much more important than the rowing — namely, the steering — the government has a sure hand. It knows where the ship of state and, indeed, where the ship of society should be headed. It knows this, presumably, through the democratic process, and despite the ambiguities of that process.

And, as David points out in the book, "those who steer the boat have far more power over its destination than those who row it. Governments that focus on steering actively shape their communities, state, and nations. They make *more* policy decisions. They put *more* social and economic institutions into motion. Some even do *more* regulating. Rather than hiring more public employees, they make sure *other* institutions are delivering services and meeting community's needs."

So, whatever else reinventing government is all about, it is clearly designed to increase the role of government in our society. The authors of



*Reinventing Government* even seem convinced that there's support for an increased role for government. They write, "there is more demand for governance — for 'leading' society, convincing its various interest groups to embrace common goals and strategies."

Of course, the book was written before the November 8 elections, but my guess is that David still believes people want government to perform a more active role in steering our society. The book even offers a helpful chart that lists no less than 36 different ways government can do so, ranging from old-fashioned regulations and taxes to what he calls avant-garde methods, such as providing seed money and restructuring the market.

But I think David Osborne's been talking to the wrong people. I remember the New York congressman, Hamilton Fish, who used to complain that during elections, everyone seemed to want less government, lower taxes, and lower spending, but once he got into office, his constituents who visited

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*There is throughout this reinventing government mantra a concerned undercurrent that somehow Americans are slipping away from the world of government-imposed solutions to society's ills.*

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him always seemed to want more government. He was, of course, talking to the representatives of concentrated benefits in his office and the unlucky recipients of diffused costs on the campaign trail. Different people. Similarly, those who find discussions of reinventing government fascinating may turn out to be an atypical lot. It's unlikely, for instance, that the 80% or so of Americans who support term limits for their elected officials do so because they think replacing professional politicians with citizen-legislators is going to get them more government steering. I've never spoken to David about this issue, but I'll bet you a dollar he's part of the 20% who oppose term limits.

It seems to me that the twentieth

century's been a grand experiment in big government, run by those who "believe deeply in government." What the voters were saying on November 8 is that the experiment has failed. It's failed in the command economies in Eastern Europe. It's failed in the welfare states of Scandinavia. And it's failed in the so-called mixed economies of Western Europe and the United States. The recent election was less a rejection of Bill Clinton than it was a rejection of the New Deal — of, to put it plainly, too much government involvement in our lives. And no amount of dressing up the nature of the state in jargon about mission-driven government, customer-driven government, anticipatory government, and market-oriented government is going to change that reality.

Because there are, at bottom, basically two ways to order social affairs. Coercively, through the mechanisms of the state — what we can call political society. And voluntarily, through the private interaction of individuals and associations — what we can call civil society. All the various political "isms," from socialism to fascism to liberalism to conservatism to "entrepreneurial government," are all predicated on a single question: *Who's going to make this decision about your life? You, or somebody else?* In a civil society, you make the decision. In a political society, someone else does.

It strikes me that the enhanced "steering" that David sees as an appropriate role for government necessarily involves a diminution of individual decision-making on one's own behalf. The steering, after all, involves rewards and punishments, subsidies, prodding, regulations, mandates, and government-sponsored incentives. All undertaken, of course, in the best spirit of entrepreneurial government.

But is that really what the American experiment is all about? David asks in his book how we solve social problems. He answers, "By acting collectively. How do we act collectively? Through government." There is throughout this reinventing government mantra — whether from Al Gore or Bill Clinton or David Osborne — a kind of concerned undercurrent that somehow Americans are slipping away from the world of government-imposed solutions to soci-

ety's ills. So we'll dress up government and repackage it in the rhetoric of the marketplace. Maybe then everyone will recognize the importance of politics, good government, and "acting collectively."

But I think Americans *are* slipping away from the old paradigm. The continuous rationales for a prominent government role in our society have a hollow ring these days. Even the old

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*Whatever else reinventing government is all about, it is clearly designed to increase the role of government in our society.*

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*reductios* that David brought out — the Great Depression and the public school system — are weak reeds with which to justify pervasive government. The Great Depression was not caused by *laissez faire* but by the actions of well-intended politicians and bureaucrats. The Federal Reserve System, after all, was not created in response to the Great Depression, but in 1913. Soon thereafter it began experimenting with its awesome powers, expanding the money supply during the roaring '20s, propping up the pound sterling in London, extending credit so Europeans could buy American agricultural products. All the while, Congress was becoming more and more protectionist. When the Fed reversed policies in 1929 and actually shrunk the money supply by a third over the next three years, and Congress culminated its protectionist tendencies with the Smoot-Hawley tariff, the collapse was underway. The fact that Hoover then raised taxes and Roosevelt kept wages artificially high guaranteed the massive unemployment that marked the 1930s. Government caused and exacerbated the Great Depression.

As for the public schools, most scholars agree that their advent had nothing to do with universal education or illiteracy, but everything to do with assimilating the Catholic masses into Protestant America. Horace Mann was quite explicit about the rationale for his campaign to create an America dominated by government-run schools. The

public school system started here in New England in the 1840s, so it's interesting to note that a couple of years ago Sen. Edward Kennedy's office issued a study that pointed out that literacy in Massachusetts reached its peak at 98% prior to the advent of the first public school. It is considerably lower than that now.

So yes, I'm an advocate of *laissez faire*, of civil society. Will civil society be perfect? Will it be a utopia? Of course not. Human beings are fallible and civil society will have its problems. But compared to the litigious, contentious, corrupt, and coercive political society? There can be no comparison.

David skipped over the federal government and looked to what he estimates in his book to be 83,000 separate state and local governmental units in the United States for his success stories of entrepreneurial government. Some struck me as more compelling than others. But the point is that when you're dealing with 83,000 governments, you're bound to find some resourceful bureaucrats. Yet, since we're betting here today, I'll bet you another dollar that I could pick a government at random out of those 83,000 and come up with more horror stories of incompetence, indifference, and indolence than all the alleged successes in *Reinventing Government*.

Let me say here by way of disclaimer that I agree with Will Rogers or whoever it was who said it's a good thing we don't get all the government we pay for. Efficiency in government is a two-edged sword. But even if we agreed that it would be a good thing to have government do more steering on the cheap, I have grave doubts about how successful we could ever be in

implementing this entrepreneurial, market-oriented government. The bureaucratic imperative to expand is second right behind the sex drive in terms of persistence. Indeed, it's my view that the book *Reinventing Government* is itself a sophisticated manifestation of that imperative.

Methodologically speaking, I don't think you can get from here to there. From unresponsive bureaucracies to

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*Washington wasn't just admonishing us to be wary of government. He was juxtaposing civil society with political society.*

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happy, helpful market-driven government employees. Because the market isn't something you can imitate. Our friends in Eastern Europe can tell you about that. The market is simply what happens in the absence of artificial restraints and within a framework of private property and respect for contract. The market is primarily a discovery process, which is why regulation tends to be so detrimental to it. When government proscribes entrepreneurial options, it short-circuits the discovery process and inherently inhibits economic growth, because each new discovery is used by countless entrepreneurs in new ways to yield yet more useful discoveries.

Let me give you an example. When interstate trucking was heavily regulated, there wasn't much competition and a few big companies dominated the industry. Many smart economists and even some bureaucrats believed that if

the market for interstate trucking were deregulated, competition would increase, leading to lower shipping rates. They were right. But what they didn't predict was that the deregulated market would generate much greater savings — on the

order of tens of billions of dollars — by discovering that greater flexibility allowed for radical downsizing of inventories, the just-in-time inventory phenomenon. Government wasn't reinvented here; it was simply removed from the scene.

But there's a greater problem there than just the mechanics of how you go about reinventing government. There's an assumption that somehow basic social needs — from drug treatment to day care to garbage collection — simply won't be met unless bureaucrats, albeit now helpful bureaucrats, aren't involved.

If I had to cite one book that answers the issues raised by *Reinventing Government*, it would be Charles Murray's *In Pursuit of Happiness and Good Government*. In it, he argues that the *de facto* goal of social policy has been to "take the trouble out of" things.

Social Security took the trouble out of planning for retirement. AFDC took the trouble out of having a baby without a father. Government-run unemployment insurance took the trouble out of being unemployed. But Murray argues that there's a subtle corruption of our culture that takes place as a result, and the cost to society is enormous. Murray writes,

The practice of a virtue has the characteristics of a habit and of a skill. People may be born with the capacity of being generous, but become generous only by practicing generosity. People have the capacity for honesty, but become honest only by practicing honesty. . . .

People tend not to do a chore when someone else will do it for them. At the micro-level, the dialogue between the government and the citizen goes roughly like this:

"Do you want to go out and feed the hungry or are you going to sit here and watch television?"

"I'm tired. What'll happen if I don't go?"

"Well, if you don't go I guess I'll just have to do it myself."

"In that case, you go."

Through this process, Murray argues, the tendrils of community are severed. He goes on to suggest that we eventually come to treat social ills not as something odd where we should look to see what is blocking our natu-



ral tendency to seek happiness, but as something systemic, natural, and generic that requires a government program — not to solve the problem, but to service it, to live side-by-side with it for the indefinite future.

Civil society tends to automatically deal with problems, not by direction or steering but through the spontaneous order F. A. Hayek spoke of. It does so through voluntary help organizations and through natural incentives to correct self-destructive behavior.

And if Osborne's answer to this is, "Well, perhaps civil society does work better than a big centralized federal government, but local, entrepreneurial governments can ultimately do the best job," I would respond that it is precisely at the local level where government severs most of the tendrils of community. Further, it is at the local level where the coercive power of government is often most abused, as anyone who has sat in on a city council meeting or a zoning board meeting can testify. We can paint happy faces on local bureaucrats and politicians but the reality is that political society gets

pretty nasty at that level.

In his classic book *Modern Times*, Paul Johnson wrote,

The state was the great gainer of the twentieth century; and the central failure. . . . But whereas, at the time of the Versailles Treaty, most intelligent people believed that an enlarged state could increase the sum total of human happiness, by the 1980s that view was held by no one outside a small, diminishing and dispirited band of zealots. The experiment had been tried innumerable ways, and it had failed in nearly all of them. The state had proven itself an insatiable spender, an unrivalled waster. . . .

To . . . the new class . . . politics — by which they meant the engineering of society for lofty purposes — was the one legitimate form of moral activity, the only sure means of improving humanity. . . . By the 1980s, the new ruling class was still, by and large, in charge, but no longer so confident. . . . Was it possible to hope that the "age of politics" was now drawing to a close?

I would argue that in the decade since

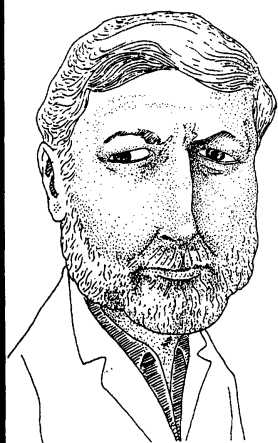
Paul Johnson wrote *Modern Times*, the age of politics has in fact continued to fade; as more and more Americans take a skeptical view of the pronouncements of those who "believe deeply in government."

Ladies and gentlemen, America was never meant to be the land where citizens are cajoled, subsidized, regulated, mandated, and steered. America was meant to be the land of the free. As Lord Acton put it, "Liberty is not the means to a higher political end. It is itself the highest political end."

Let me conclude with a quotation from George Washington. He said, "Government is not reason, it is not eloquence. It is force. Like fire, it is a dangerous servant and a fearsome master." It seems to me that Washington wasn't just admonishing us to be wary of government. He was juxtaposing civil society with political society. Civil society is based on reason, eloquence, and persuasion, which is to say voluntarism. Political society, on the other hand, is based on force.

Regrettably, no amount of reinvention will change that fact. □

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## Inquiry

# What Does Affirmative Action Affirm?

by Wendy McElroy

The feminist case against quotas.

Radical feminist Eliza Toledo calls it "one of the most significant attacks on our rights." Elizabeth Schroeder, associate director of the Southern California ACLU, worries that "it may become a wave, just like other attacks . . . maybe they [white males] are scared when they see qualified minorities and woman able to get jobs."

What has sparked this concern? The attack on affirmative action.

In California, Assemblyman Bernie Richter has proposed a constitutional amendment to prohibit the state from giving preferential treatment to anyone in the public sector on the basis of race, sex, color, ethnicity, or national origin. The amendment has a lot of support; according to recent polls, the majority of Californians are disillusioned with affirmative action. If the measure passes the Assembly and the Senate, California voters will have the final say in a March 1996 vote. If it gets blocked — perhaps in the Assembly, where Speaker Willie Brown will crusade against it — it is likely to become a ballot initiative.

Jesse Jackson has already equated Gov. Pete Wilson's support for the measure with the racism of former Alabama Gov. George Wallace. Many feminists attribute the movement to white male sexism. The State Legislature's African-American Caucus chalks it up to racism. State Democrats charge Republicans with political opportunism.

The last accusation has some basis. In Washington, leading Republicans

suspect that Clinton's civil-rights policies may be his lethal weakness. If congressional debate on anti-affirmative action legislation can be scheduled for next fall, the issue is certain to become an election flash point. If he continues to support preferential treatment for women and minorities, Clinton will risk alienating the Americans who resent such policies. On the other hand, backing away from affirmative action could hurt him among important elements in the Democratic power base, especially black voters. Republicans would be bumbling fools to miss such a golden chance.

But what of the charge of sexism? As a feminist-in-good-standing, I feel qualified to say: "This is balderdash, balderdash on stilts." I will go one step further: in my opinion, those who are pro-women ought to be *anti*-affirmative action. They ought to applaud Sen. Phil Gramm when he has the *chutzpah* to declare, "We need free and fair competition. We need equal opportunity and unlimited opportunity for everybody. But we should not have special privileges."

A feminist against affirmative action may seem like a strange spectacle. After all, the policy was ostensibly

designed to encourage qualified women and minorities to apply for jobs and compete on a non-discriminatory level. How could a reasonable feminist object to that?

Easily. And on several grounds.

But before doing so, it is important to draw a distinction. The affirmation action policies being debated today bear little resemblance to the original presidential directives issued in the mid-'60s. The words "affirmative action" were first officially used in Executive Order 11256, issued by President Johnson in September 1965. This order required businesses with government contracts to aggressively recruit women and minorities — as *applicants* for employment. From this pool of recruits, however, all applicants were to be judged on their merits.

The touchstone document of affirmative action, Title VII of the 1964 Civil Rights Act, states that it is unlawful for any employer:

(1) to fail or refuse to hire or discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, or privileges of employment because of such individual's race, color, religion, sex or

national origin.

(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise affect his status as an employee, because of such individual's race, color, religion, sex or national origin.

Current affirmative action policies violate Title VII by requiring unofficial quotas, which can be filled only through preferential treatment. Thus, when White House Chief of Staff Leon Panetta claims that those who wish to eliminate preference are trying to "turn the clock back on civil rights," he exposes his ignorance of Title VII's wording. (Either that, or he is subtly complimenting his opponents for wanting to go back to the original intentions of the civil rights movement. But somehow I doubt that.)

But whether we're dealing with the original affirmative action policy or its Franken-incarnation, the point remains: preferential treatment harms women.

Let me explain why.

Three fundamental arguments have been offered to justify employment privileges for women: (1) social good, (2) compensatory justice, and (3) the ideal of equality.

### Social Good

The social good argument states that society will be enriched by advancing women. This justification is undermined by the fact that feminists generally concede that they would back the policy even if it lowered the overall good of society.

Which it certainly does. The most ominous side effect of affirmative action may be that it fosters the very evil it seeks to cure: prejudice against women. To fill their quotas, employers must hire unqualified women, promote women too quickly, or transfer them inappropriately to other departments. When these women fail, it is seen as confirmation of their inadequacy. Conversely, when competent women succeed on their own, it is assumed that they were coddled by preferential policies. Successful women used to be accused of sleeping their way to the top. Now, men can accuse them of being in bed with government.

And what of the men who are discriminated against? A February 12, 1995 AP report quoted San Francisco firefighter Ray Batz, who used to call himself a liberal Democrat:

I've watched my department become demoralized, downgraded, debased, demeaned. Everybody falls into one or even more than one protected class. That is, everybody except white males.

We're hiring tiny women. Size is no longer a criterion for firefighters. [But diversity] doesn't carry grandma down the stairs in the middle of the night.

Such resentment naturally translates into a heightened sexism. Affirmative action is fertile ground for the evil

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*The state is being used as a remedial historian, to right the wrongs of the past.*

---

it ostensibly opposes. Perhaps this is inevitable for a policy that enshrines its own version of sexism into the legal system.

Allocating jobs via a quota system rather than merit has disastrous long-term economic consequences. And it drives a wedge between individual worth and economic success.

### Compensatory Justice

The second common justification for affirmative action is the argument from compensatory justice. This claims that anyone who injures an innocent person should compensate the injured party for the damage. This is reasonable enough.

But affirmative action goes much farther. It claims that descendants of injured parties should be compensated as well. After all, today's women still live with the consequences of past discrimination. In essence, the state is to be used as a remedial historian, to right the wrongs of the past.

There are two basic objections to this position: first, most of the people receiving compensation are not the victims of discrimination; and second, most of the people paying the compensation are not the perpetrators.

Overwhelmingly, the perpetrators,

like the victims, are dead. Herbert Deane, in his book *Justice — Compensatory and Distributive*, explains:

Present members of the society are being asked to assume the responsibility not only for unjust acts in the present or the recent past in which they may have had no share, but also for acts of discrimination which were performed long before they were born, and when their fathers and grandfathers may not have been Americans at all, but may have been suffering persecution and discrimination, for example, in Eastern Europe.

Affirmative action does not even attempt to single out the heirs of victimized women. It lumps all women into a class, drawing no distinction between the privileged daughter of a Rockefeller and the direct descendant of a black slave. Nor does it attempt to identify those who actually discriminate. White males, as a class, are forced to accept collective guilt.

We are all victims and beneficiaries of our ancestors, not only economically, but physically, culturally — in virtually every aspect of who we are. This is not a matter for legal theory; it is an accident of nature. I was born into a lower-class working family that could not provide me with music lessons, hardcover books, and other niceties. On the other hand, I inherited the virtually indestructible good health of my Irish peasant ancestors. The circumstances of my birth were neither just nor unjust; they merely were. And where there is no injustice, how can there be compensation?

Women do themselves no favor by asking for privileges. That only strengthens the paternalism from which they suffered for so long.

### The Ideal of Equality

The third common argument for affirmative action is based on the ideal of equality: women should be equal to men. But what sort of equality is being championed? Social? Economic? Legal?

Traditionally, in America, equality has meant equal treatment under the law and equal access to political power. This model focuses on the individual and her relationship to the state.

The equality promoted by affirmative action demands equal access to

wealth and opportunity. This model focuses on classes of people and their relationship to other classes, or to society in general.

These two concepts are incompatible. Affirmative action flies in the face of equal treatment under the law. And that is a right for which women have fought, and fought hard, for centuries. For most of the nineteenth century, women were excluded from universities and unions, barred from such professions as medicine, and — upon marriage — often lost all title to whatever pittance they were allowed to earn. When Susan B. Anthony and Elizabeth Cady Stanton battled to have women explicitly mentioned in the Constitution, it was in order to secure equal treatment under the law.

Affirmative action does nothing for women whose goal is legal equality. Affirmative action aims at socioeconomic equality. It calls for distributive justice.

### Justice: Distributed and Free

During the social turbulence of the '60s and '70s, a political phrase gained popularity: "institutional discrimination." This referred to institutional arrangements that excluded or hindered certain classes of people from participating in the distribution of power. Institutional discrimination is not the same as personal prejudice. For example, a company might decide to hire people from its community out of a sense of local pride. But the community might not contain any qualified women. Thus, from unbiased — and even laudable — motives, the company can distribute employment in a disproportionate manner. Good intentions and lack of prejudice are no defense against this charge.

At the heart of the issue is the question of how power — economic, social, and political — should be distributed throughout society. How is justice achieved?

To individualist feminists, like me, justice is not a matter of achieving a particular end-state, such as equality or non-discrimination. The individualist view of justice is means-oriented. That is, as long as a social situation is nonviolent and voluntary, it comes as close to justice as mortals can get. This may not produce the perfect society, but it's the best that we can do.

By contrast, statist feminists have an ends-oriented concept of justice.

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*Successful women used to be accused of sleeping their way to the top. Now, men can accuse them of being in bed with government.*

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The end sought is socioeconomic equality for women. And virtually any means — including the use of force to regulate attitudes and peaceful behavior — is justified. This is why feminists who cry out against discrimination do not hesitate to use that tool in reverse if it serves their purpose.

There is a sad irony here. In the name of gender justice, feminists are crippling the surest safeguard women have ever had against discrimination: the free market. The marketplace tends to further the interests of women, not because it is an arena of justice, but because businessmen want to make a profit. Discrimination is costly: it alienates customers and reduces the pool of

talented employees. In their pursuit of profits, employers tend to be blind to color and sex. The market is a great leveler of prejudice.

But to many feminists, the free market is a chaotic process — an anarchy of undirected preferences. How, they demand, can such unbridled chaos possibly produce a social good? They

contrast the market with the ordered society proposed by social engineers, in which planners coordinate and channel individual behavior for the common good. This is a false dichotomy. The real alternative is not between chaos and order, but between two conflicting forms of order: one spontaneous, the other military.

Statist feminists wish to impose a military order in which individuals are organized into sexually correct ranks marching in orderly formation toward gender equality. The free market is under a comparative disadvantage; at first glance, it appears to be random, not orderly. But imagine this scenario. Floating near the clouds, you have a god's-eye view of a flea market going on beneath you. People pour through the *ad hoc* aisles, grabbing at goods, bargaining with stall owners. The scene appears to be complete chaos.

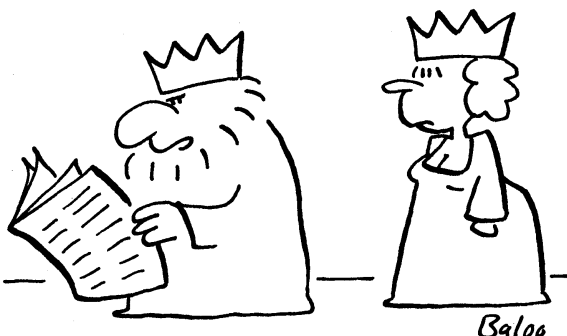
What is really happening? A mass of people are spontaneously and independently pursuing their own self-interests. When arguments break out over goods, the conflicts are nonviolent and resolved privately. All sales occur because they benefit both parties. No one is harmed. What you are observing is an extremely sophisticated and intricate form of order that efficiently satisfies individual goals without violence.

The true choice in affirmative action is not between chaos and order, but between freedom and control.

### The Prognosis

Affirmative action may well become the issue-from-hell for Democrats. Republicans have taken over the moral high ground and are staging a full frontal attack. Affirmative action looms as an election flash point in California. Court cases challenging preferential policies are pending in several states. And the Supreme Court is now inclined to frown on federal affirmative action, with Justices Rehnquist, O'Connor, Thomas, Kennedy, and Scalia likely to vote against it.

Democratic strategist Duane Garrett summed up his party's attitude toward the affirmative action controversy this way: "Most Democrats I've talked to are just averting their eyes and hoping it goes away." They can always hope. □



"Now I know it's fixed. Your mother just won the Nobel Peace Prize!"



## Proposal

# Solving the Debt Crisis Without Raising Taxes or Decreasing Spending

by R.W. Bradford

The burgeoning cost of financing middle-class welfare and rebuilding American military power threatens to send the United States into bankruptcy unless the tax burden on Americans is raised very substantially.

Three responses to this problem have been proposed, but each of these has fatal shortcomings:

(1) Cutting welfare spending on middle-class Americans would be political suicide for its proponents, and is undesirable anyway. Middle-class Americans deserve their student loans, subsidized mortgages, farm subsidies, Medicare, veterans' benefits, and generous government pensions.

(2) Military spending needs to be higher, not lower, if the United States is to maintain its role as the world's only remaining superpower, thereby guaranteeing democracy and justice to all the people of the world.

(3) Americans are already overburdened with taxes. Raising taxes further would be even quicker political suicide than cutting welfare spending would be.

A fourth solution — repudiation of the public debt — is virtually unthinkable, as it would make it very difficult for the government of future generations to borrow money that it could not afford to pay back.

I am proud to announce that I have discovered a way to cut the Gordian knot. In fact, I have discovered a way to increase welfare and military spending, while eliminating the budget deficit and paying off the national debt.

Right now, the United States collects over \$600,000,000,000 each year in income taxes. I submit that Congress has created a gigantic loophole in the Internal Revenue Code, a loophole that allows literally billions of people to avoid paying taxes. I speak, of course, of the over five billion potential taxpayers who get off without paying one red cent in income taxes, simply because they *do not live in the United States and are not American citizens*.

Some of these people are not as wealthy as Americans, but many are wealthier. The Sultan of Brunei, for example, has an income of billions of dollars a year, yet he pays *no American income tax at all*. And even the poorer among the five billion tax-shirkers could certainly afford to pay something, if only a few dollars per year. If every person in the world now taking advantage of this loophole would pay an average of only \$240 per year — that's 90% less than the average American pays — we could balance the budget and pay off the entire national debt, while providing even more welfare programs and even bigger defense spending.

Now, I know that there are doubting Thomases out there. They will say that taxing foreigners would violate

the Constitution or international law, or that it is impractical. Their thinking is plainly fallacious, and dangerous to America.

A universal income tax would be entirely constitutional. Here is the wording of the Sixteenth Amendment:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

As you can see, the Sixteenth Amendment clearly grants Congress the "power to lay and collect taxes *on incomes, from whatever source derived*" (emphasis added). There is not even a hint that this power is limited to taxing the incomes of Americans or income derived from American sources.

I suppose there are individuals who will argue that the jurisdiction of U.S. law stops at the borders of the United States, just as the jurisdiction of the laws of other sovereign nations stops at their borders. But this is also plainly wrong. In *U.S. v. ALCOA*,<sup>1</sup> a federal appeals court decision recognized that U.S. law can, in Learned Hand's words, "impose liabilities" upon foreigners whose acts have "consequences within its borders which the state reprehends." In recent

years, Congress has passed many laws that U.S. authorities enforce outside the United States. Most notable are the laws that outlaw the sale or possession of certain drugs if they might eventually be sold in the U.S. The Coast Guard and Navy routinely board ships on the high seas and arrest the officers and crew if any drugs are found. In 1989, the United States invaded a sovereign nation so that we could arrest its president for trafficking in drugs, and in 1991 it convicted that head of state and sentenced him to a long term in the federal penitentiary.

I suppose it might be objected that these laws are limited to individuals who are engaged in international commerce, whose goods are bound for the United States. But this objection is also specious, according to the logic of numerous Supreme Court decisions.

You will recall that the constitutional authority for virtually all federal regulation is found in Article I, Section 8, which reads (in part), "The Congress shall have the power . . . to regulate commerce . . . among the several states." From time to time, lawsuits have been brought against the U.S. government arguing that one or another regulation imposed by Congress is unconstitutional, on grounds that the commercial activity

involved takes place entirely within a single state, not in commerce "among the several states." For more than half a century, the Supreme Court has always found against the plaintiff in these cases.

In 1942, Kansas farmer Roscoe E. Filburn challenged a law that prohibited his growing wheat without the explicit permission of the U.S. Department of Agriculture. Filburn argued that the wheat he grew without government permission was not in interstate commerce: he fed it to his own chickens, most of whose eggs and meat his own family ate, with only a small portion sold locally and none sold to residents of other states. In the famous case of *Wickard v. Filburn*,<sup>2</sup> the Court patiently explained that the wheat was in "commerce among the several states" for the plain and simple reason that, if the farmer had not grown wheat, he would have had to buy it (or some other form of chicken feed), and *that* wheat (or whatever) might have been grown in another state. Furthermore, his chickens were also in interstate commerce because, if he had not raised them on his own farm, he would have had to buy chickens from someone else, and *those* chickens might have been bred and reared in another state.

This reasoning makes it perfectly legal for the United States to tax the income of, say, a Pygmy living in an isolated village in the Congo River basin. That Pygmy has income in the form of the nuts and berries he gathers; if he did not gather those nuts and berries, he would have to buy food from someone else, and that food might have been produced in the United States. Surely the commercial nexus here is as proximate as the nexus in the case of *Wickard v. Filburn*.

Lastly, it may be argued that citizens of other nations will object to being subjected to U.S. income tax laws. This is no more serious than a South American drug lord's objections that he should not be subject to U.S. anti-drug laws. And if any foreigners refuse to pay their taxes, the United States can always enforce its tax code by military means, just as it enforced its anti-drug laws in Panama in 1989. After all, we already have the most powerful military machine in the world. And with these new tax revenues, we can expand it even more than the new Republican majority in Congress envisions. □

#### Notes:

1. 148 F.2d at 442 (2d Cir. 1945)
2. 317 U.S. at 120

## Libertarian books with a difference



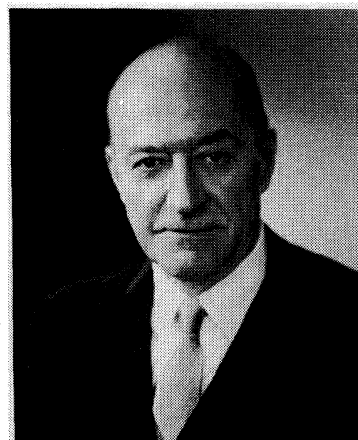
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Henry Hazlitt, defender of freedom

# Reviews

*The Theme is Freedom: Religion, Politics, and the American Tradition*, by M. Stanton Evans. Regnery, 1994, 366 pp. + xvii, \$24.95.

## Render Unto God

Leland B. Yeager

In *The Theme is Freedom*, M. Stanton Evans challenges the "liberal history lesson" that portrays religion and liberty as always in conflict. "Freedom, democracy and intellectual inquiry allegedly flourished in the pagan era, only to be crushed to earth in the Christian Middle Ages" (pp. 15-16). They revived only when humanists of the Renaissance and Enlightenment threw off the shackles of belief. Religious and moral absolutes taught by conservatives still portend authoritarianism, according to this version of history. America's liberties require the protection of secular doctrines and the "wall of separation" between religion and public institutions erected by the Bill of Rights.

Evans identifies no canonical statement or source of this supposedly standard view, though he does cite books by J.H. Randall, Jacob Burckhardt, R.C. Whittemore, and Allan Bloom. He also takes jabs at John Stuart Mill, Oliver Wendell Holmes, utilitarianism, secularism, economic determinism, economic planning, social engineering, and ethical relativism.

Today, he finds the pagan worldview resurgent in astrology, Eastern cults, abortion, euthanasia, the environ-

mental movement, homosexuality, the *jihad* against religious expression, and the reemergence of the unlimited state and reduction of the individual. He further cites routine praise of pluralism, diversity, and alternative lifestyles; pop culture; the doctrine of evolution; and, perhaps chiefly, "the scientific-rationalist bias of modern thought."

Evans sees this materialist thought underlying gun control and arms agreements. Left-liberals assume "that material objects, rather than the motives of human beings, are the chief causes of social conflict" (115). They trace crime, illegitimacy, drug abuse, and other pathologies to material "conditions"; they recommend attacking the "underlying causes" through housing projects, job training, and other government programs for changing economic factors.

Evans replies with a history lesson of his own. In the ancient world, and even in the profoundest works of Greek philosophy, ideas of personal freedom and limits on state power were absent, he says. Freedom meant participation in running the state. "It took the biblical view of Deity, nature, man, and state to make the free society even a mental possibility" (309). Ideas of personal freedom, limited government, and economic and scientific progress come from the religion of the Bible. A separate source of spiritual awareness

challenged the authority of the state. Western constitutional history has been a gradual working-out of the concept that the king or emperor is neither the law incarnate nor a divinity but is under God and the law. Western liberty and free institutions cannot survive without religious faith.

Religious settlers in British America established representative bodies. The colonists "brought with them well-developed views about the rule of law, protections against the power of the state, government by consent, and limits on taxation" (310-311). Their habit of consulting scripture undergirded their reliance on written agreements. They made the rule of law a principle of statecraft, not just a sentiment or theory. The American Revolution was an essentially conservative movement to preserve the traditional rights of free-born Englishmen. The common law was an important part of this tradition: laws best arise through age-old custom and consent rather than as the dictates of kings and legislatures. (On this Evans echoes Bruno Leoni, whom, however, he does not cite.)

Contrary to the standard liberal history, says Evans, America was not founded by secularists and Deists intent on denying official support to religious precepts. The Founders were by and large religious people. They did not want to build a wall between church and state; neither did they want the central government, under the Constitution's federal system, to meddle with religion.

Evans counters Marxian economic determinism with a theological determinism: "Always and everywhere, the governing system that is adopted will reflect the underlying religious presuppositions of the culture, and as these vary so will the prospects for statecraft, science, economics, and a great deal else" (118, italics omitted). He makes recommendations consistent with this law. No relatively specific reforms — replacing Democratic politicians with

Republicans, managing government programs more efficiently, or even rolling back federal power — would themselves suffice to restore our freedoms. "In every sense, the spiritual and intellectual vision must be foremost. Recovery of our religious faith and its teachings should be our first and main concern. Without it, nothing much by way of practical improvement can be accomplished. With it, all the rest might readily be added" (323). Above all, we need "a reinfusion of religious precept in our national life and public

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*Evans counters Marxian economic determinism with a theological determinism.*

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custom" (318–319). We should applaud the "religious Right" and evangelical churches. We should welcome the active engagement of traditional Catholics and Jews. Evans recommends "not 'imposing' belief on others, but rather defending it against an aggressive and relentless opposition" (319).

While first reading Evans' book, I found myself agreeing piecemeal on many specific points — for example, how the federal courts pervert the Constitution when they suppress school prayer and other involvements with religion by individual states. I also applauded Evans' sympathy with Frank S. Meyer's blend of classical liberalism and traditionalist conservatism. Meyer's "fusionism" (a label both Evans and I dislike) does not try to mix oil and water. Respect for and a presumption in favor of time-honored practices and institutions (which is not the same as mindless adherence) does indeed serve a free society — so I could argue. A narrow, excessively individualistic, iconoclastic, market-worshipping, smart-alecky libertarianism — epitomized in a book I might name — is self-destructive.

Still another reason for initially liking Evans' book was his considerable erudition, illustrated in 16 pages of annotated bibliography.

Only when I began pulling together and summarizing his many remarks did I fully realize what a stark position they add up to. How strong a case does

he make for that stance? His own reading of history, like the putative "liberal" history he attacks, is a product of selection and emphasis, and rivals of both are plausible. In *Uncommon Sense* (1993), Alan Cromer, a physics professor and not obviously a left-liberal or crusading atheist, persuasively argues that modern science derives from ancient Greece, where political and intellectual conditions happened to be favorable. Religion or rigid traditions stifled its independent origin elsewhere and interrupted for many centuries its progress in the West. The scientific attitude is important to a free society. It values free inquiry, open discussion, and persuasion by evidence and reasoning instead of resort to unexamined tradition, authority, or force.

But let's suppose, if only for the sake of argument, that Evans' history is substantially right and that the free institutions of the West did evolve under the aegis of Christianity. (Let's overlook the frequent tensions between them, as well as Ralph Raico's point — made years earlier in a famous debate with Evans in *The New Individualist Review* — that several Christian tenets, if taken seriously, would scarcely be compatible with a free and prosperous society.) Was the actual route to our free institutions the only possible route? It is interesting to ponder (in the spirit of essays gathered by J.C. Squire in *If*, 1931) how history would have unfolded if Christianity had never taken hold — if, say, Saul/Paul had not had his vision on the road to Damascus.

But what would follow? What do historical speculations recommend about religion nowadays? Of course libertarian-conservatives deplore government attempts to squelch religion; they value tolerance and may even be squeamish about holding religion up to ridicule. But what are we — what am I — supposed to believe and do if Evans is right about historical links between religion and freedom? The convenience of a doctrine's being true or being generally accepted, or both, is not the same as its actual truth. Are intellectuals nevertheless supposed to preach expedient doctrines as if they were true?

Although Evans no doubt sincerely accepts the truth of his own religion, nowhere in the book does he actually argue its truth. He respectfully men-

tions Judaism as well as Christianity. Well, how can one attach great importance to religious doctrine and still straddle between those two religions? The divinity and redemptive mission of Jesus Christ are scarcely unessential details of Christianity.

My old friend James Waller used to worry that we moderns are living off and eating up our religiously based moral capital of the past. (Tacitly, Evans makes much the same point.) Suppose he were right; suppose it would be socially healthy if we could rebuild our moral capital on a religious basis. Again, what follows about the actual truth of religion? Although not so intended, Waller's point can serve as a device to protect Evans' main thesis. Counterexamples of nonreligious libertarians and conservatives and of societies where morality apparently flourishes without religious consensus supposedly lose their force; they simply exemplify living off inherited (or perhaps imported) moral capital. But a thesis thus immunized against counter-evidence loses its substance.

Libertarianism (or a libertarian-conservative blend in the style of Meyer and Evans) is a *political* philosophy, not a comprehensive philosophy

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*How can one attach great importance to religious doctrine and still straddle between Judaism and Christianity? The divinity and redemptive mission of Jesus Christ are scarcely unessential details of Christianity.*

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of life or a metaphysics. Some libertarians, probably a minority, do value seeking out and arguing over the ultimate foundations of their position, whether metaphysics, religion, tradition, Lockean rights, social contract, or utility. These disagreements need not, however, keep libertarians from working together in their areas of agreement. Students of Ayn Rand, for example, need not worry about giving "sanction" to irrationality by not pressing the religious question at every con-

trived opportunity. Those of us who enjoy the controversy over foundations may continue pondering what follows from the apparent or alleged expe-

diency of religion. And let traditionalists like Evans avoid anathematizing potential allies who find the evidence and arguments for religion deficient. □

***Dismantling Utopia: How Information Ended the Soviet Union*, by Scott Shane. Ivan R. Dee, Inc., 1994, 352 pp., \$25.00.**

# Dystopia Undone

Gene Jewett

As recently as ten years ago, the Soviet Union seemed like a stable country, with a relatively healthy economy. Those who viewed it as an evil empire were seen by most Western intellectuals as hopelessly Neanderthal. Well-known economists were sanguine about Soviet prospects.

Within a few short years, the Soviet Union imploded, its political ideology dead, the economic theory upon which it was based totally discredited — except perhaps in some reactionary groves of the American academy.

Who slew the Evil Empire? In *Dismantling Utopia*, Scott Shane, the *Baltimore Sun's* Russian correspondent from 1988 to 1991, argues that "information slew the Soviet giant." Shane follows the *denouement* of the U.S.S.R. from Gorbachev's rise to power in 1985 through the coup of 1991, analyzing the role of information technology in sparking the Soviet implosion.

Shane opens with the 1985 arrest of 27-year-old Andrei Mironov, jailed for discussing three banned books — Valery Grossman's *Life and Fate*, George Orwell's *Animal Farm*, and Varlam Shalamov's *Kolyma Tales* — with foreign exchange students. Two years later he was released; by then Gorbachev's mildly liberal policy of *glasnost* was in place, and those books had become freely available, rendering his crime irrelevant. The information revolution was underway.

But this was only the beginning of the information explosion. Shane also

chronicles the unplanned effects of expanded television formats, telling the story of a national hero, an Olympic weightlifter, who excoriated the KGB and the Communist Party before a riveted audience on national television. Because the Communists had used television as a tool of propaganda, everyone had one, and everyone tuned in. But suddenly, it was being used to fight the Communist system, not bolster it. Under *glasnost*, fear of KGB terror was rolled back, and dammed up dissent flooded the country, drowning out socialism.

Of course, we now know that Communism was weaker than most Westerners had ever imagined. Shane argues that Soviet leaders knew their country had its back to the wall in 1982, contrary to their eternally optimistic rhetoric. The highly centralized Soviet economy functioned like a human body being forced to run on manual. It was as if you tried to direct consciously all of your organs to function, directing your pancreas to secrete just the right amount of insulin and instructing your heart's left ventricle to squeeze at the precisely correct moment. Needless to say, the system didn't work very well. Central planners could not efficiently make the millions of economic decisions needed to run a consumer economy. Without the feedback of the price system, they lacked meaningful information about consumer demand, and were reduced to such embarrassing tactics as using CIA crop estimates to forecast their agricultural production.

Their response to their failure was

to proclaim it a success. Shane quotes a Bolshevik in 1920: "If the masses don't understand that we are bringing them mathematically flawless happiness, it is our duty to force them to be happy, but before we use weapons, we will first try words." This may have worked in the 1920s when information flow was primitive, but by the 1980s it was plain to the Soviet masses that those "exploited" by decadent capitalism were far better off.

As the Soviets continued to fall further behind the West, Shane argues, the Soviet leadership made a desperate move to put Russia's economy back on track: imitation capitalism in the form of *perestroika*. In 1983, Gorbachev asked Andropov about allocations and amounts of state spending, only to find that no one knew the numbers. Tight control of copiers, computers, videocassette recorders, and other technologies was inhibiting development, especially in high-tech fields. When he took power, Gorbachev decided that to fix socialism, he had to allow more information to flow. The KGB backed Gorbachev, but the military — initially — did not. The reality of reduced hard currency reserves, a result of declining commodity prices in the wake of the boom of the '60s and '70s, finally led them to accept the need for reform, as

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*The microchip revolution is making a hash of ruling elites' efforts to keep their subjects divided and ignorant.*

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did concern over American experiments with high-tech weaponry, such as SDI.

But the influx of information carried a price. When Russian families gathered around their new VCRs to watch movies from the West, they found themselves paying more attention to the background than the plot. They noticed that everyone in the West seemed to own a car, and that the refrigerators were filled with plenty of food and cold beer. While Soviet leaders boasted that Russia was the world's largest producer of steel, cement, lumber, oil, and tractors, their subjects waited in long lines to buy barely edi-

ble food and shoddy consumer goods; waited ten years to spend five years' wages on cars that would be laughed off Western roads; and crowded into tiny crumbling apartments.

The Communists may have won the race of steel production, but it was the wrong race. Central planning and gross production were unsuited to the task of raising living standards and meeting the demands of the heretofore patient consumers. On one all-too-typical occasion, planners discovered that millions of people had washing machines, but no soap powder. Within two years, the central planners had provided so much soap that it had to be warehoused in apartments. *This* was the system that was supposed to compete with the invading Hollywood visions.

The curtain had been ripped away, and the myth of Communism unraveled like that of the Wizard of Oz.

The knowledge released by Gorbachev's reforms created a universal and passionate disillusionment. When Gorbachev announced that two plus two was not, after all, six, he helped spark a powerful skepticism — fooled once, the people were not about to accept their leader's assurances that two plus two actually equaled five.

Shane's account culminates with the failed coup of 1991. After six years of *glasnost*, it was impossible for the conspirators to effectively seize control of the means of communication; the information blockade they imposed was more a tennis net than an iron curtain. Boris Yeltsin and his allies simply switched on their fax machines and sent out appeals to newspapers, to embassies, to other republics, to other cities. Within Soviet borders, information was reproduced and disseminated by the new technology: faxes, copiers, VCRs, and PCs became a sprawling social nervous system linking the Russian political opposition. The new media enabled a community of resistance to emerge among millions of once-isolated people. And an empire fell.

Shane believes that the Russian people's desire for a normal consumer economy remains a powerful brake on efforts to return to empire and autocracy. Educated workers demand consumer goods that a planned economy simply cannot produce. But one could

also argue that little has changed, that The Who had it right, that the new boss is the same as the old boss, that Russia could have continued as a closed society had its rulers had the will to continue to use terror as a means of control. Human beings will always have the capacity to lie to themselves and deny the obvious, as long as they have a material or emotional investment in the *status quo*.

But the availability of multiple sources of information erodes this complacency and expedites the formation of a revolutionary consensus. What happened in Russia demonstrates that people now have access to too many avenues of communication for their rulers to keep them completely in the dark.

Institutions both religious and secular have always used their control of information to maintain their power;

freedom of information has always been a force for other liberties. In 1450, when Gutenberg's movable type printing press was first used, there were roughly 50,000 books in existence, and almost all were owned by religious institutions. By 1500, there were 10,000,000 books, widely owned. It is no coincidence that the Protestant Reformation erupted almost immediately afterwards, bringing the monopolistic power of the Church to an end.

In the computer age, the process has been tremendously accelerated and its reach extended. Information changes the course of civilization, and modern technology delivers information faster and more accurately. The microchip revolution is making a hash of ruling elites' efforts to keep their subjects divided and ignorant. The result has been an explosion of human freedom. □

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***Guns, Crime, and Freedom*, by Wayne LaPierre. Regnery Publishing, 1994, 263 pp., \$22.95.**

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## Shooting Down Your Rights

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Dale J. Steinreich

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One evening late last summer I found my father shaking his head in annoyance at the television screen. CNN anchor Bernard Shaw was jubilantly trumpeting President Clinton's "tremendous victory" in signing the Omnibus Crime Bill, which purportedly would save our troubled republic by banning 19 types of so-called assault weapons (the bill actually banned over 150).

After changing channels, my father settled into deep thought before speaking. "You know something, Dale? In 1955, when I was living in Queens, I would fly every couple of months to Buffalo, to visit a friend with whom I

used to do some hunting. I remember walking through La Guardia airport, whenever I made these visits, carrying a suitcase in my left hand and a .22 caliber rifle with scope in my right hand. I walked through a concourse past no security personnel and no metal detectors. I usually waited about 15 to 30 minutes before a Douglas DC-3 pulled up to the gate. After an clerk checked my ticket, I would walk out on the tarmac, board the plane, and store my rifle right below my seat near the window. In those days no one took special notice of what I was carrying, much less showed great alarm about it. If you tried the same thing today at La Guardia you wouldn't make it past curbside before being tackled, cuffed, and booked at the jail."



Much has changed in America in the last 40 years. It is for this new and troubled America that Wayne LaPierre, in *Guns, Crime, and Freedom*, offers his reasons for continuing to value the Second Amendment. As CEO and chief national spokesman for the National Rifle Association, LaPierre has one of the most thankless jobs in America. Although he has fought an energetic and vigorous battle against the recent passage of the Crime Bill and the Brady Bill, he has found time to write a book that trenchantly defends the right of Americans to keep and bear arms.

LaPierre begins with the Second Amendment, responding to the oft-heard claim that the Founding Fathers never intended for private citizens to use or possess arms, that the "militia" in the Second Amendment refers to organizations such as the National Guard. LaPierre points out that the amendment clearly stipulates a "right of the people to keep and bear Arms" (emphasis added). It makes no sense for liberals to argue that the Fourth Amendment applies to individuals because of its "rights of the people" phrase but that the Second Amendment does not.

Even more effective are the quotations from the Founders that LaPierre has assembled. In Virginia's debate over the Constitution, George Mason said, "To disarm the people [is] the best and most effectual way to enslave them." Thomas Jefferson wrote in the Virginia Constitution that "No free man shall be debarred the use of arms within his own land." In *Federalist* number 46, James Madison wrote, "Americans [have] the right and advantage of being armed — unlike citizens of other countries whose governments are afraid to trust the people with arms."

Little disagreement exists among most historians and legal scholars on this issue. Historian Joyce Malcolm writes that the Second Amendment was meant to fulfill two objectives: self-defense and militia use. "The argument that today's National Guardsman would constitute the only persons entitled to keep and bear arms has no historical foundation." History professor Robert Shalhope, writing in the *Journal of American History*, states that James Madison clearly believed (1) that indi-

viduals have the right to bear arms for self-defense, and (2) that states had the rights to "maintain militias composed of these individually armed citizens." Even more embarrassing to the gun-grabbers is the respectable liberal legal scholar Don Kates, one of the foremost experts on the Second Amendment, who says "the Founding Fathers out NRAed the NRA."

But the NRA, often portrayed as a group of extremist fanatics, does agree that the Second Amendment has limits. Individuals who are either under the age of 18 or have committed a felony may be forbidden to purchase and possess firearms. And LaPierre claims that while Americans are allowed to legally own "ordinary small arms" such as handguns, rifles, and shotguns, they are forbidden to own tanks, artillery components, grenades, bombs, bazookas, or nuclear weapons.

He should have preceded this last series of items with the phrase *fully operational*. A superior court judge in Indianapolis owns a total of six tanks, while an Indiana millionaire living to the north of him owns over 130. These two collectors are able to drive their tanks around on their private land but are allowed to shoot only blank ammunition from the tank guns. Many army surplus stores sell disarmed grenades and rockets to military equipment collectors and enthusiasts. An inert intercontinental ballistic missile in your backyard might violate the neighborhood's restrictive covenants and/or be an eyesore, but would probably not be illegal if it had been lawfully acquired.

LaPierre's chapter on so-called "assault weapons" exposes one of the most outrageous and flagrantly demagogic witch-hunts our government/media apparatus has waged since the burning of the Branch Davidians. "Assault weapon" has been used for years to characterize pistols or rifles with full automatic or burst capability. Not one of the weapons banned has this capability. They all employ semi-automatic technology more than 100 years old and detachable magazines that have been around since the advent of the Spencer carbine in the 1860s.

The reason these weapons are popular with many shooters is their cosmetic resemblance to real military weapons. They are used in NRA-sponsored com-

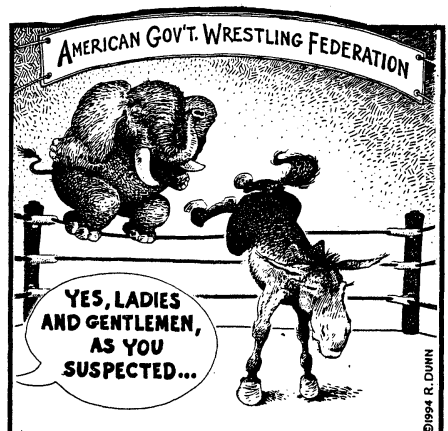
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petitive match shooting and are target and recreational guns. The belief that criminals use or even prefer them to other weapons in the commission of a crime is one of the most baseless myths ever promoted. LaPierre shows that nationally, so-called assault rifles have been involved in less than 0.5% of all violent crimes. In testimony to the Senate Judiciary Committee, Police Chief Joseph Constance of Trenton, New Jersey, said, "assault weapons are/were used in an underwhelming 0.026% of crimes in New Jersey." In Los Angeles, San Francisco, and New York, they make up no more than 3% of the guns confiscated by law enforcement. A statistic that LaPierre does not mention: of a total of 2,394 homicides in New York state in 1992, 20 (0.8%) involved assault weapons, while 117 (4.9%) involved "kicking, beating, or stomping." Anyone for a waiting period on hands or feet?

The simple fact is that the term "assault weapons," as used by those who propose to restrict gun ownership further, is purely pejorative. It refers only to cosmetic differences among weapons. For example, the Colt AR-15 is a .223 caliber semi-automatic rifle with a 16" barrel. The Ruger Ranch is a .223 caliber semi-automatic rifle with an 18.5" barrel. Which rifle is more accurate and therefore more potentially dangerous? Obviously the Ruger. Yet the Ruger, packaged as a hunting or varmint gun, is perfectly legal — and the AR-15 is banned because it is packaged with a military look.

Many journalists applauded the

assault weapons ban, claiming that the Founding Fathers never intended for citizens to possess military-type weapons. Leaving aside the well-documented participation of civilians in militias throughout American history, the military/sporting distinction never existed when the Second Amendment was ratified. And as LaPierre points out,

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*"Assault weapon" has been used for years to characterize pistols or rifles with full automatic or burst capability. Not one of the weapons banned has this capability.*

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"practically every type of popular firearm in existence at some time has been used by the military."

Many pro-Second Amendment groups have a well-founded fear that the same process used to delegitimize competition and sport weapons will be used to delegitimize hunting weapons as well. Like 1989 all over again, some jerk in California will stand outside a schoolyard, not with an "assault weapon" this time, but with a "sniper rifle," picking off kids who wander into the crosshairs of his deadly "sniper" scope. The media will mount a massive scare campaign against these indefensible "sniper weapons." Sniper weapons will be characterized by their mean-looking scopes, which no one should be

allowed to possess. The public will become convinced that the Founding Fathers never intended for private citizens to own deadly "sniper weapons." Liberals, who now accept hunting as the only legitimate reason to own a gun, will inveigh against hunters ("animal snipers") and decry their practice of polluting our environment with lead bullets and buckshot. Sound like a slippery slope? The EPA is already compiling evidence to support a ban on lead bullets and buckshot, while Patricia Schroeder (D-Col.) and Health and Human Services Secretary Donna Shalala are trying to bring firearms manufacturers under Consumer Products Safety Commission regulation with the hope that all guns can be declared a public safety hazard and banned.

One of the most enjoyable and refreshing parts of LaPierre's book is a chapter entitled "Is America Too Free?" It surveys firearms laws around the world. On such enlightened media outlets as *Today* or *Good Morning America*, Americans are incessantly told that Europe has a lower homicide rate because it has very strict gun control laws. This is a lie. While there is a lot of discussion about Britain, there is never any mention of Switzerland — and no wonder. Switzerland is the land with a machine gun in every home. With no standing army, the Swiss government gives all male citizens an automatic rifle to keep and maintain in good working order. As members of the militia, they are required to have an adequate store of ammunition, undergo training, and enter shooting matches to demonstrate proficient use of the weapon. In 1990, there were only 34 shooting deaths in Switzerland — about as many as are murdered in New Orleans in less than five months.

LaPierre also debunks arguments for gun buy-back programs and waiting periods, and his chapter on the transgressions of the BATF will make the blood of gun owners and nonowners alike boil. And he provides an excellent synopsis of the Randy Weaver and Waco cases for people who have been spoon-fed the BATF's side of the story from Mr. Rather, Mr. Brokaw, and the other nightly agitprop artists.

When dealing with as many names, statistics, facts, and dates as appear in this book, there are bound to be some

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gaffes. On page 158, LaPierre refers to "basketball star Michael Jackson." In a discussion of talk radio, he claims that Ken Hamlin is a "local" host in Denver; actually, Hamlin's program is produced in Denver and broadcast over 60 stations, but is *not* broadcast in Denver.

*Guns, Crime, and Freedom* is a welcome addition to anyone's bookshelf.

While gun owners will undoubtedly comprise the vast majority of those who read the book, there is at least a chance that some open-minded adherents of the conventional wisdom will want to see how NRA neanderthals could oppose something as "reasonable" as gun control. They may get the surprise of their life. □

***Anarchist Voices: An Oral History of Anarchism in America,***  
by Paul Avrich, Princeton, 1995, 574 pp., \$75.00.

# Anarchist Lockstep

Richard Kostelanetz

For over a quarter century, Paul Avrich has been publishing major scholarly works about anarchism in Russia and America. To say that he has no peer in American academia is an understatement; no one else produces in his league. Most of his books are published not as modest paperbacks from alternative presses but as overpriced hardbacks from the Princeton University Press, which makes them the sort of volumes most of us would persuade our libraries to order rather than purchasing them for ourselves. I find him a good writer and a persuasive scholar. One measure of his care is footnotes that are interesting not just as documentation but, say, for brief biographies of individuals who are not acknowledged in the primary text. Typically, his bibliographies are fresh and thus invaluable.

*Anarchist Voices* collects his respectful interviews with over 150 people, most of them known in their lifetimes only to other anarchists and now remembered only by their descendants. Arriving on the scene in the 1960s, Avrich was too late to interview Emma Goldman or Benjamin Tucker, so instead he spoke with the former's secretaries and lawyer and with the lat-

ter's daughter. Avrich told me that he rarely used tape recorders, because his interviewees found them intimidating, and instead kept notes on 5" x 8" cards, sometimes made during the interviews, often just afterwards. From those cards, he composed this book. Every struggling political movement should have such a loving academic amanuensis.

Nonetheless, there are several problems with this book. While he includes Benjamin Tucker in his pantheon, Avrich neglects later individualist-anarchists without explanation. He also neglects artistic anarchists, beginning with Henry Miller, Kenneth Rexroth, Judith Malina and Julian Beck, and John Cage, all of whom lived well past the 1960s. (They are important to me because I became an anarchist in college from reading these people and Paul Goodman, rather than from knowing anyone.) My sense is that Avrich as a political historian is predisposed to focus upon those who belonged to anarchist groups, rather than those independents who had greater intellectual influence.

Secondly, perhaps out of a wish to make his anarchists socially acceptable, Avrich avoids deviance. Though he acknowledges more than once Emma Goldman's sexual designs on young male anarchists, he scarcely mentions homosexuality (not even in the indirect

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memoir of Paul Goodman), sexual adventuring, or drug use, all of which, we would now say, were ways of practicing anarchism as well as preaching it. Finally, if only because Avrich himself includes only one person younger than himself (and a strange choice at that), he gives the false impression that anarchist voicing has died in America.

Thirdly, presumably because Avrich depended on his own notecards, all his anarchists sound alike, regardless of whether they were immigrant Italians, immigrant Jews, or native-born Americans; whether well-educated or undereducated. What's missing from the book is any attempt to render in print group dialects or individual speech. That means that the title is a misnomer: the book presents not many voices but, alas, the single one of a refined and sympathetic scribe. This failure to render vocal variety is not only funny, if you think about it, but

embarrassing, because the example of William Faulkner for one demonstrates the possibility of doing so in print. (Another trick, more feasible in the age of computers, is using various typefaces to represent different backgrounds and levels of cultivation.) For instance, Avrich has told me of his surprise that Peter Kropotkin's daughter, living in New York in the 1960s, spoke with a British accent, because her father lived in London when she was young, but this book says nothing about such aural experiences. Avrich's predisposition for false uniformity accounts for why most of the testimonials here typically begin with the informant reciting his or her birthdates and other basic biographical data. After a dozen chapters, such rote exposition can become boring; after a hundred, it is maddening. Attribute this fault of uniformity not just to Avrich's medium but to his homogenizing method. □

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***The Guru Papers: Masks of Authoritarian Power*, by Joel Kramer and Diana Alstad. North Atlantic Books/Frogs Ltd., 1993, 374pp., \$14.95.**

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## The Authoritarian Behind the Curtain

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Sharon Presley

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Don't be deceived by the title: *The Guru Papers* is about much more than cult groups. It is a profoundly important critique of the covert authoritarianism of most religions, both Eastern and Western — and of such allegedly secular cultural values as unconditional love, addiction, and twelve-step programs. It is also a critique of any mode of thought, religious or secular, that encourages following leaders and looking for saviors.

At the heart of all the cultural and religious authoritarianisms that authors Joel Kramer and Diana Alstad decry are what they call "renunciate worldviews." By this they mean philosophies which suggest that the "solutions to life's problems involve making what

goes on in this world and this life secondary to some other projected kind of existence deemed more important and sacralized." In their view, this notion leads inevitably to valuing sacrifice of the non-sacred to the sacred, and to unchallenged authority figures who define how this sacrifice is to be accomplished. This morality of self-sacrifice, they argue, is at heart authoritarian because it claims that being good means sacrificing self-interest to some higher interest — which, of course, the authority conveniently defines. Thus the guru, church, or state that preaches self-sacrifice can control its subjects by defining which behaviors are acceptable and "good."

The authors' insight into how fundamentalist religions use renunciation to maintain their power is an especially useful addition to critiques of funda-

mentalism. An entire chapter is devoted to examining how fundamentalists exploit the desire for certainty in a time of social fragmentation. This is accomplished not only by offering an absolute worldview but by emphasizing the importance of the rules of the system over the actual moral principles of the religion. Rules that must be obeyed provide clear and secure answers to troubling existential questions. Fundamentalist leaders know, the authors assert, that the easiest way to convince people that they want to obey these rules is by making people feel bad about themselves, then offering them a way to feel better. Disobeying the rules and being selfish (pursuing one's own interests) is bad; obeying the rules and putting higher interests (duty, obedience, and sacrifice) first is good.

The application of Kramer and Alstad's analysis of the doctrine of renunciation to cultural as well as religious values provides another useful insight. "Accepting selflessness as the highest value," they observe, "is where the insidious authority of the old order unwittingly seeps into the many modern paradigms that attempt to be new."

Consider the model of unconditional love that says we should love selflessly and sacrifice endlessly to the beloved. The authors argue that this is a carry-over from renunciate religious views. The danger of unconditional love is that it leaves no room to withstand abuses, keeps people in old role-dominated relationships, and sets no boundaries on demands from the other partner. It can thus become a way of controlling the person who is doing the sacrificing. "Love between adults," Kramer and Alstad point out, "flowers only when there is some balance between self-centeredness and giving."

They argue that twelve-step programs such as Alcoholics Anonymous are also authoritarian, sharing many features of cult groups: unchallenged authority, admission of helplessness and self-mistrust, disagreement labeled as resistance, surrender to religious experience. While I don't agree that all twelve-step groups can be pilloried on this point, it is a legitimate criticism of at least some of them.

Another thought-provoking and radically important point that Kramer

and Alstad make — one that, as a psychologist, I particularly applaud — concerns the tacit messages many parents send to their children. "Most of us as children have been conditioned to the idea that being bad means disobeying the rules and being selfish, while being good means obeying the rules and putting others first." To be self-centered, we've been taught, is to be morally lacking. Coupled with this exhortation to be uncritical of authority is the equally troubling message that others know what's best. Many people are thus deeply conditioned to expect some outside agency, power, or person to somehow solve their problems.

"Looking for saviors, or holders of wisdom, as the way to lead humanity (or oneself) to salvation or survival," assert Kramer and Alstad, "has been ingrained into the old order. . . . Behind much of the appeal of such authority is the essentially childish hope of external and magical answers to the existential problems and fears around living and dying." No wonder gurus, New Age flakism, and fundamentalism are popular: they all offer

different brands of the magical answer.

At the root of the power gurus have over their followers is a desire for a savior to provide certainty and clear-cut answers — which raises the specter of political guruism. Kramer and Alstad's guidelines for recognizing authoritarian religious control provide a standard for evaluating any ideological group:

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*We can judge the Song without necessarily condemning all the Singers as fools and robots.*

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no deviations from the party line are allowed, the authority is always right, the actions of the authority are always defended without knowing what has actually occurred, the leader is trusted to know what's best.

These guidelines can provide the opportunity for some critical thinking about our own beliefs, rather than merely attacking such obvious targets as guru-led "cults." It's much easier to

identify others who fall under authoritarian control than to examine on our own beliefs. I have seen quasi-cult-group behavior exhibited by individuals in every religious, political, and social-issue-oriented group I have ever observed in my studies of ideological behavior: socialist, progressive, humanist, feminist, libertarian, Objectivist, and others. So pervasive is the desire for clear-cut answers that members of even the most rational groups can fall prey to the seduction of the dogmatic.

Having praised this book for its many virtues, I should also point out its problems. The dearth of specific concrete examples of groups exemplifying the authoritarianism under attack makes the book very abstract, even abstruse. Also, though its psychological insights are right on target, *The Guru Papers* is written more like a philosophical treatise than a popular psychology book, which will make it slow going for some readers.

More importantly, I believe the authors exhibit some unintentional dogmatism of their own. Their critiques of religions and ideologies sometimes

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invoke sweeping generalizations that don't allow for the diversity of individual applications of these ideologies. Many thoughtful people, for example, would disagree with the authors' indictment of Zen as authoritarian. Not every Buddhist monk is authoritarian, not every adherent of Christianity is a practitioner of mindless sacrifice, not every person involved in a twelve-step program is an automaton abjectly disavowing his or her own experience. Many people have found value within these systems; we should not summarily dismiss their experience without knowing their particular stories. We can judge the Song without necessarily condemning all the Singers as fools and robots.

Despite these caveats, I hope that many people will read this extraordinarily rich and complex book. What the authors are calling for is a profound change in the basic philosophy of our culture, for a morality that integrates

and values both sides of the self, the spiritual and the carnal, the selfless and the self-centered, the compassionate and the egotistic. Only by refusing to deny legitimate parts of our selves can we heal the wounds created by authoritarianism. We must teach our children to be more critical of authority, to weigh evidence, to ask questions, to trust their own experience. We must learn new ways of structuring society without the crippling hidden authoritarianism of the old order.

"The old paradigms," conclude Kramer and Alstad, "all have some authority — be it leader, wise man, guru, avatar, representative of god, or prophet — telling the rest of us what life is about and how to lead it. How to replace the old methodology that we are outgrowing is a major issue facing humanity." This book can make an important contribution to that change, if enough people read it and take it to heart and mind. □

instances in her most recent collection of essays, *Vamps and Tramps* (Vintage, 1994, 532 pp., \$15.00), where she refers to her place in the world in terms of "we of the Sixties' generation," or of her own experiences as a "lesbian" (or bisexual, or whatever), or of her Catholic heritage, or as an academic underdog.

Suffice it to say that Paglia not only returns the P.C. volley with this sort of *faux* relativism, she *ups the ante*. By framing her personal experience in a context that also has meaning, she can use these combined symbols to attack the relativism and nihilism and cowardice and totalitarianism of the Left like none other before.

In the late nineteenth century, only one Nietzsche was necessary. The same is true of Camille Paglia. No one else need ape her bravado, no one else don her persona. She has done the shaking up. The rest of us can go about our business with reason and civility. The Left's sexual puritanism is bleeding, and the wound was made by a self-proclaimed lesbian vampire woman.

Thanks, Camille. We'll clean up the mess.  
—Timothy Virkkala

## Booknotes

**Das Fräulein Ist So Wild** — Most conservatives who complain about the P.C. Left seem most annoyed with its relativism. Indeed, they seem most vexed by the very *idea* of relativism. I, on the other hand, am most annoyed by the *practice* of this relativism. By that I mean the habit of allowing membership in some categorizable collectivity to trump any argument. How I hate such phrases as "speaking as a woman," "as a person of color," or somesuch reason-scuttling special plea! I prefer dealing with arguments, fact and theory — or even good, old-fashioned rhetoric — to this ritual form of intimidation. (I say this, of course, as a Finnish-American individualist of the male sex — er, gender.)

For a while, this kind of talk had made honest discussion of sexual matters nearly impossible in this country. Then, enter Camille Paglia. Since the publication of *Sexual Personae* in 1990, she has become one huge monkey wrench in the gears of the leftist multi-

cultural Academy, and the body politic appears to be shaking off its politically correct straightjacket, getting down, once again, to frank talk about sex. Not a moment too soon.

So how did she do it?

Not, I think, by being a better scholar than everybody else; as a work of scholarship, *Sexual Personae* stands right up there with its precursor, Nietzsche's *The Birth of Tragedy*: provocative, illuminating, great reading, but kind of weird. Ms. Paglia, like Herr Nietzsche, is more of a visionary historian than a real historian; like Nietzsche, she is more at home with assertion than with argument or demonstration.

No, Paglia has made her impact with bluff, wit, and myth. Myth, you ask? Paglia describes the world of ideas and culture with mythic representations; she places herself in the pantheon of pop icons (if icons can be said to constitute a pantheon), and she tells her story, over and over. Count the

**Nein! Nein!** — Another book on political correctness? Alas, yes: Marilyn Friedman and Jan Narveson's *Political Correctness: For and Against* (Rowman & Littlefield, 1995, 153 pp., \$56.50 hc, \$18.95 sc).

At least this book is thoughtful, and is not a leftist screed or conservative whine. But will this dispute ever leave us alone? I shoo you away from buying this and other such volumes: perhaps abstinence will help shrink this tiresome topic to its proper stature.

— Michael Levine

**Methodenstreit** — R. H. Coase usually manages to be both charming and fair when he evaluates the economic thinking of others, but in *Essays on Economics and Economists* (The University of Chicago Press, 1994, viii + 222 pp., \$27.95) he fails in one striking case: he really balls up a discussion of economic methodology with his commentary on Milton Friedman's famous foray into the philosophy of science, "The Methodology of Positive Economics." Coase argues that "what we are given [in Friedman's essay] is



not a positive theory at all. It is, I believe, best interpreted as a normative theory. What we are given is not a theory of how economists, in fact, choose between competing theories but, unless I am completely mistaken, how they ought to choose" (p. 18).

Well, the meaning of the distinction between "positive" and "normative" economics is pretty well agreed upon, and has been since John Neville Keynes (J. Maynard's father): positive economics *explains* the social world, normative economics *prescribes* for it. To be fair to Friedman, no one prior to Coase would have had any problem with admitting that a theory of positive economics had normative implications *for those practicing the discipline*. Indeed, that is one reason why philosophers and economists came up with such theories of method: to prescribe for scientists.

Coase simply conflates two distinct levels of theory. In the process he was rather unfair to a fellow Nobel Prize winner.

His ultimate point may very well be correct, however. After all, ought implies can, and if, as he suggests, no economist actually goes about choosing between theories in the way that Friedman prescribes — well, then, perhaps the prescription is too strict.

Or perhaps not. In any case, Coase's bit of rug-pulling is amusing, as amusing as the rest of his book is informative, challenging, and wise. It would be unfair of me to discourage any interest in this brilliant collection of essays by sticking only to this one point. But sometimes I prefer brevity to fairness.

—Timothy Virkkala

**Skinning Leviathan** — Call me a cynic, but I have a hard time picturing the new Congress cutting the federal government back to its 1988 level, let alone to the minimal state proposed by the scholars and wonks behind *The Cato Handbook for Congress* (Cato Institute, 1995, 358 pp., \$24.95). Nonetheless, this is a valuable book — an across-the-board anti-government assault ready for any politician willing to take up the gauntlet.

As with any wide-ranging policy book, it sometimes supports steps I would oppose (ABMs, a national sales tax), and is occasionally a bit coy (its CIA "reforms" would effectively termi-

nate that agency, but the authors shy away from explicitly saying this — which, considering the intended audience, is probably wise). But this is more than made up for by its hard-hitting approach to virtually every issue under

the sun, from protecting the Fourth Amendment to junking the Export-Import Bank. Let's hope at least one of the congressional staffers paid to skim reports like this sees the light.

—Jesse Walker

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## Grabbe, continued from page 42

Which brings us back to privacy and the monetary system.

### The Buck Stops Here

In 1993, SWIFT began asking users of its messaging system to state the purpose of their payments in all messages, as well as payers, payees, and intermediaries. This type of arrangement would allow NSA computers to scan for any names in which they were interested. To be sure, \$10,000,000 for the "purchase of plutonium" would have been scanned for anyway. But now they can search for "Hakim 'Bobby' Bey," because someone has decided he's a terrorist. (Or decided she just doesn't like him, and therefore claimed he's a terrorist.)

In addition, proposals resurfaced for a two-tiered U.S. currency. When such a proposal was rumored around 1970 during the slow breakdown of the Bretton Woods agreement, it was dismissed as a paranoid fantasy. Recently the proposal itself has been discussed on the federal page of the *Washington Post*, a paper which supports the plan of "an expert on terrorism" (another one?) for two separate U.S. currencies, "new greenbacks for domestic use and new 'redbacks' for overseas use." The International Counterfeit Deterrence Strike Force (an interagency working group informally called the "Super-Bill Committee") supports a revived 1989 DEA plan for the forced conversion of "domestic" dollars into "international" dollars by U.S. travelers at the border, which would be re-exchanged on their return.<sup>45</sup> In the last two sessions of Congress, Sen. Patrick Leahy (D-Vt.) has introduced bills to enact such a plan.

While Customs deals with physical cash, NSA is set to deal with the electronic variety. The NSA has already been monitoring some international banking transactions since at least the early 1980s, to judge from the inclusion of detailed banking transactions between the Panamanian branch of the Discount Bank and Trust of Switzerland and a Cayman Islands bank in a Reagan-era classified report. It appears as though the information in the report could only have come from electronic access to the bank's computerized records. Some observers have speculated that a bugged computer

program, Inslaw's PROMIS, was involved. This program, allegedly stolen from Inslaw by the U.S. Department of Justice, was sold to dozens of banks. (A federal bankruptcy judge found that the Justice Department had purposefully propelled Inslaw into bankruptcy in an effort to steal the PROMIS software through "trickery, deceit and fraud.")<sup>46</sup> The program was said to have been altered in such a way as to allow government agencies trap-door access into a bank's transaction records.<sup>47</sup>

The Federal Deposit Insurance Corporation (FDIC) is the government corporation that insures deposits at U.S. member banks. The FDIC Improvement Act of 1991 required the FDIC to study the cost and feasibility of tracking every bank deposit in the U.S. The hope was to be able to compute bank deposit insurance requirements in real time. Not everyone thought this

was a good idea. The American Bankers' Association noted it was inconceivable that such data would "be used only by the FDIC in deposit insurance coverage functions." And even though the FDIC itself argued against the proposal in its draft report to Congress in June 1993, FinCEN used the occasion to propose a "Deposit Tracking System" (DTS) that would also track deposits to, or withdrawals from, U.S. bank accounts in real time.

So advances in cryptography come face to face with round-the-clock, round-the-border surveillance. Big Brother's plan to turn the monetary system into a powerful instrument to pry into the private lives of individuals is well-advanced. But this plan can be thwarted by the popular adoption of cryptography and anonymous digital cash.

The battle between privacy and tyranny has only just begun. □

### Notes:

1. The NSA employee handbook notes: "It is the policy of the National Security Agency to prevent and eliminate the improper use of drugs by Agency employees and other personnel associated with the Agency. The term 'drugs' includes all controlled drugs or substances identified and listed in the Controlled Substances Act of 1970, as amended, which includes but is not limited to: narcotics, depressants, stimulants, cocaine, hallucinogens and cannabis (marijuana, hashish, and hashish oil). The use of illegal drugs or the abuse of prescription drugs by persons employed by, assigned or detailed to the Agency may adversely affect the national security; may have a serious damaging effect on the safety [of yourself] and the safety of others; and may lead to criminal prosecution. Such use of drugs either within or outside Agency controlled facilities is prohibited." A copy of this handbook can be found in the hacker publication *Phrack* #45, March 30, 1994, which is available on the Internet at <ftp.fc.net/pub/phrack>.
2. Governments have always been in the drug business. Two references on historical drug politics are Jack Beeching, *The Chinese Opium Wars* (Harcourt Brace Jovanovich, 1975), and Alfred W. McCoy, *The Politics of Heroin: CIA Complicity in the Global Drug Trade* (second edition, Lawrence Hill Books, 1991). Two sources for information on more recent U.S. government involvement in the drug trade are the well-documented book by Peter Dale Scott and Jonathan Marshall, *Cocaine Politics: Drugs, Armies, and the CIA in Central America* (University of California

Press, 1991), and the less well-substantiated, but provocative, *Compromised: Clinton, Bush, and the CIA*, by Terry Reed and John Cummings (Shapolsky Publishers, 1994).

3. The following may be related, although no charges have been filed. In 1987, Tallahassee police traced an alleged child porn operation back to a warehouse in Washington, D.C. The warehouse was operated by a group called The Finders, whose leader has an extensive background in intelligence. Customs agents had information that was, according to Customs and FBI documents posted on the Internet by Wendell Minnick (author of *Spies and Provocateurs: A Worldwide Encyclopedia of Persons Conducting Espionage and Covert Action, 1946-1991*), "specific in describing 'blood rituals' and sexual orgies involving children, and an as yet unsolved murder in which the Finders may be involved." The evidence included a telex which "specifically ordered the purchase of two children in Hong Kong to be arranged through a contact in the Chinese Embassy there" and a photographic album. "The album contained a series of photos of adults and children dressed in white sheets participating in a blood ritual. The ritual centered around the execution of at least two goats. . . ." As the investigation proceeded, the "CIA made one contact and admitted to owning the Finders organization as a front for a domestic computer training operation, but that it had 'gone bad.' CIA defers all further contacts to FCIA (Foreign Counter Intelligence Agency). FCIA is distinct and autono-

- mous organization within FBI. . . . FCIA contacts [Washington] MPD Intelligence and advised that all reports regarding Finders are to be classified at the Secret level. FCIA also advised that no information was to be turned over to the FBI WFO [Washington Field Office] for investigation, and that the WFO would not be advised of the CIA or FCIA involvement/contact." I've since checked with all my programming friends, but no one remembers seeing a computer training film involving the sacrifice of goats.
4. It is argued that the creation and distribution of images of nude children should be prohibited, since they might be used "for the purpose of sexual stimulation or gratification of any individual who may view such depiction" (Edward De Grazia, "The Big Chill: Censorship and the Law," *Aperture*, Fall 1990, p. 50). Where I grew up, children sometimes played naked. However, I guess in that case rays of natural light seen by the human eye underwent a mysterious *transubstantiation* that turned the data into *pastoral innocence* before digitized messages were sent to the brain. By contrast, .gif files stored in a computer have not undergone *transubstantiation*, and remain slimy with evil inherited from the Original Snub.
  5. The Justice Department's Office of General Counsel issued a legal opinion on the First Amendment constitutionality of ITAR restrictions on public cryptography on May 11, 1978. The opinion — addressed to Dr. Frank Press, the science adviser to the president — concluded: "It is our view that the existing provisions of the ITAR are unconstitutional insofar as they establish a prior restraint on disclosure of cryptographic ideas and information developed by scientists and mathematicians in the private sector." The ITAR regulations are also referred to as Defense Trade Regulations. See Department of State, *Defense Trade Regulations*, 22 CFR 120–130, Office of Defense Trade Controls, May 1992. The State Department turns all cryptology decisions over to the NSA.
  6. Stewart A. Baker, "Don't Worry, Be Happy," *Wired*, June 1994.
  7. Remarks at Computers, Freedom, and Privacy Conference IV, Chicago, March 26, 1994.
  8. Denning, Dorothy E., "Encryption and Law Enforcement," Georgetown University, February 21, 1994.
  9. Which explains, I guess, why I am no longer able to get any smack with my pepperoni and cheese.
  10. U.S. Department of State, Bureau of International Narcotics Matters, *International Narcotics Control Strategy Report*, U.S. Government Printing Office, April 1994.
  11. *Ibid.*
  12. Kimery, Anthony L., "Big Brother Wants to Look into Your Bank Account (Any Time It Pleases)," *Wired*, December 1993.
  13. *International Narcotics Control Strategy Report*, op. cit.
  14. *Chicago Tribune*, January 20, 1995.
  15. Steven B. Duke and Albert C. Gross, *America's Longest War: Rethinking Our Tragic Crusade Against Drugs*, Putnam, 1993.
  16. Examples may be found in Steven Wisotsky, *Beyond the War on Drugs*, Prometheus Books, 1990.
  17. John Powell and Ellen Hershenov, "Hostage to the Drug War: The National Purse, the Constitution, and the Black Community," *University of California at Davis Law Review* 24, 1991.
  18. David B. Kopel, "Prison Blues: How America's Foolish Sentencing Policies Endanger Public Safety," *Cato Policy Analysis* #208, May 17, 1994.
  19. Milton Friedman, "Open Letter to Bill Bennett," *The Wall Street Journal*, September 7, 1989.
  20. Larry Keller, "Sheriff's Office Makes Own Crack for Drug Stings," *Fort Lauderdale News & Sun Sentinel*, April 18, 1989.
  21. For example, *United States v. Eugenio Llamera*, No. 84-167-Cr (S.D. Fla. 1984).
  22. The quote may be found on page five of Andrew Schneider and Mary Pat Flaherty, *Presumed Guilty: The Law's Victims in the War on Drugs*, reprinted from *The Pittsburgh Press*, August 11–16, 1991.
  23. Melanie S. Tammen, "The Drug War vs. Land Reform in Peru," *Cato Policy Analysis* #156, July 10, 1991.
  24. Rensselaer W. Lee, *The White Labyrinth*, Transaction, 1989.
  25. *International Narcotics Control Strategy Report*, op. cit.
  26. House of Representatives, *Banks Records and Foreign Transactions concerning P.L. 95–508*, House Report 91–975, October 12, 1970.
  27. U.S. Senate Permanent Subcommittee on Investigations, *Crime and Secrecy: The Use of Offshore Banks and Companies*, U.S. Government Printing Office, February 1983.
  28. President's Commission on Organized Crime, *The Cash Connection: Organized Crime, Financial Institutions, and Money Laundering*, U.S. Government Printing Office, October 1984.
  29. Bank for International Settlements, *Large Value Funds Transfer Systems in the Group of Ten Countries*, May 1990.
  30. Ernest T. Patrikis, Thomas C. Baxter Jr., and Raj K. Bhalu, *Wire Transfers: A Guide to U.S. and International Laws Governing Funds Transfer*, Probus Publishing Company, 1993.
  31. *The National Information Infrastructure: Agenda for Action*.
  32. The activities of the NSA were first comprehensively surveyed in James Bamford, *The Puzzle Palace*, Houghton Mifflin Company, 1982.
  33. David Burnham, *The Rise of the Computer State*, Random House, 1983.
  34. Cryptology is divided into *cryptography*, the art of secret writing (encryption), and *cryptanalysis*, the art of code-breaking. By analogy, thinking of the world of banking as divided into vault-keepers and thieves.
  35. They also reinstated the NIST as the certifier of applications that met the standard. DES was affirmed again in 1993; the next DES review is scheduled for 1998.
  36. Computer Monitor Radiation (CMR) is involved in the plot of Winn Schwartau's *Terminal Compromise*, the best hacker novel available. A freeware version, replete with misspellings and other typos, under the filename *termcomp.zip*, is available by ftp or gopher from many sites. One location is [ucselx.sdsu.edu/pub/doc/etext](http://ucselx.sdsu.edu/pub/doc/etext).
  37. Cindy Skrzycki, "Dark Side of the Data Age," *Washington Post*, May 3, 1993.
  38. Interviewed by Netta Gilboa in Gray Areas. Interview reprinted in *The Journal of American Underground Computing*, 1(7), January 17, 1995.
  39. Attachment to memo from Wm. R. Loy 5/5/92, (O/F)-9C1h(2)(a)-File (#4A).
  40. I was a block away in a building with a view of one of the World Trade Center towers when the explosion occurred, but, along with all the Barclays Precious Metals dealers, only found out about it when the news came across the Telerate monitor a few minutes later.
  41. Ray Pollari, Memorandum for the Acting Assistant Secretary of Defense (C31), April 30, 1993.
  42. National Institute of Standards and Technology (NIST), *The Digital Signature Standard, Proposal and Discussion*, *Communications of the ACM*, 35(7), July 1992, 36–54.
  43. American National Standards Institute, *American National Standard X9.30–199X: Public Key Cryptography Using Irreversible Algorithms for the Financial Services Industry: Part 1: The Digital Signature Algorithm (DSA)*, American Bankers Association, March 4, 1993.
  44. Office of Technology Assessment (OTA), *Information Security and Privacy in Network Environments*, September 9, 1994.
  45. "TerrorDollars: Counterfeiters, Cartels and Other Emerging Threats to America's Currency," *Washington Post*, March 6, 1994.
  46. Maggie Mahar, "Beneath Contempt: Did the Justice Dept. Deliberately Bankrupt INSLAW?," *Barron's*, March 21, 1988; "Rogue Justice: Who and What Were Behind the Vendetta Against INSLAW?," *Barron's*, April 4, 1988; U.S. Congress, Committee on the Judiciary, *The Inslaw Affair*, House Report 102–857, September 10, 1992.
  47. Thompson's, "Congress backs claims that spy agencies bugged bank software," *Thompson's International Banking Regulator*, January 17, 1994.

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## Medianotes, continued from page 14

anymore." Even the rain is a "subset of human activity," and "the planet is utterly different now."

He was pretty sure about this. "If nature were about to end, we might muster endless energy to stave it off," he wrote; "but if nature has already ended, what are we fighting for?" And, he asked, "how can there be a mystique of the rain now that every drop — even the drops that fall as snow in the Arctic, even the drops that fall deep in the remaining forest primeval — bears the permanent stamp of man?"

He did toy with the remote possibility of saving nature. "Though not in our time, and not in the time of our children, or their children, if we now *today* limited our numbers and our desires and our ambitions, perhaps nature could someday resume its independent working," he wrote. But he dared this hope only because he couldn't stand "the clanging finality of the argument I've made."

But guess what? A mere six years later, nature is back. *The Atlantic Monthly's* April 1995 cover story by Bill McKibben was titled "An Explosion of Green." The subject was the reforestation of the eastern United States. This, writes McKibben, is "the great environmental story of the United States, and in some ways of the whole world."

Today, New England is covered with trees. In spite of great population growth, writes McKibben, "90 percent of New Hampshire is covered with forest. Vermont was 35 percent woods in 1850 and is 80 percent today, and even Massachusetts, Connecticut, and Rhode Island have seen woodlands rebound to the point where they cover nearly three fifths of southern New England. This process, which began as farmers abandoned the cold and rocky pastures of the East for the fertile fields of the Midwest, has not yet run its course."

Along with the woods, wildlife has returned: deer, moose, black bears, wolves, and bobcats roam the forest; there are even reports of mountain lions. The "regreening" of the East, says McKibben, is "undeniably real."

Now, this wonderful rebirth of forests may not directly contradict the end of nature that McKibben described in 1989. But what happened to man's dominance? To global warming? To acid rain? To gloom and hopelessness? That was yes-

terday. Today, one has to write about something.

Of course, that something is not actually new; trees don't grow *that* fast. Forest specialists have been noting the return of the trees for some time. Between 1952 and 1987, for example, the volume of timber in the U.S. as a whole increased by 27%.

Indeed, when McKibben was contemplating the end of nature at his home in the Adirondack Mountains in the late 1980s, trees were invading all around him. He should have seen them. Come to think of it, he did see them. A passage in *The End of Nature* described the stream by his home; nearby was the stone chimney of an abandoned homestead, its foundation "now filled by a graceful birch." An old mill used to stand near the waterfall and the remnants of a mine could be found a mile or so away from the creek.

But in 1988 and 1989, global warming and acid rain were in fashion, so McKibben ignored "the great environmental story of the United States." Only now that global warming and acid rain have been debunked, or at least have disappeared from the headlines, and when an environmental writer has to look around and find something to write about, does the dramatic story of the Eastern forests become worth paying attention to.

Even so, halfway through his new article McKibben begins to fret about the threats to these renewed forests. This time the threat is not global warming, acid rain, or ozone depletion. It's clearcuts. Clearcutting is going on in "Bunyanesque" dimensions in Maine, he writes, although you must go up in an airplane to see it. From up there, the damage is "a sight to behold." But what is even more worrisome is residential development, because it brings people. No matter how sensitively planned these "carefully clustered homes" are, development means that "the unbroken forest will vanish."

Nevertheless, McKibben concludes on an optimistic note. The regeneration of eastern forests "gives some distant promise that in other places in future days people may be able to depend on a replenished and revived nature to provide them with a modest and reliable life." And thus McKibben neatly disposes of the death of nature. —JSS

Lomasky, continued from page 29

petitions from a much put-upon citizenry, the only recourse is the "appeal to Heaven." Welcome back, state of nature.

So what is the relevance of this glance at seventeenth-century philosophical debates for the destruction in Oklahoma? In a word, everything. A society in which militant ideologues or sociopathic drifters enjoy *carte blanche* to spew their violence on random unfortunates who wander across their murderous path is unlivable. If the institutions of government are not robust enough to guard against such threats, we are truly launched back into the battlefields of the Hobbesian war of all against all. Violence and disorder are the problems. And for better or worse, there are no permanent solutions. Legal structures that were at one time sufficient to afford a tolerable degree of protection may later fall into disrepair. The balance between liberty and authoritarianism is precarious and can be preserved only through continued prudent vigilance. There are no recipes, no guarantees.

Even before carnage descended on Oklahoma City, Congress was busy contemplating new legislation to counter 1990s-style violence. Mr. Clinton has endorsed the Omnibus Counterterrorism Bill co-sponsored by Senators Biden and Specter and has recommended further provisions designed to avert future domestic firestorms. These measures include enhanced scope for FBI surveillance, permission for military involvement in domestic law enforcement matters, non-public quasi-judicial proceedings, incursions on the rights of immigrants, transformation of what had formerly been protected speech into actionable conspiracy. The pendulum is swinging from Locke in the direction of Hobbes.

Do recent events justify these proposed inroads on the prerogatives of Americans? I am inclined to think not, but I possess no expertise concerning the means through which ordered liberty can best be maintained under contemporary conditions. So I leave micro-evaluations of policy proposals to others better qualified to offer them.

Some will be disappointed that I offer no algorithm for making the fine-

# Notes on Contributors

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grained determinations on which a republic's health rests. Since Hobbes, even since Plato, there have been offers aplenty of such algorithms. None is worth much; some, like the nostrums of Lenin and Hitler and Pol Pot, have wreaked incalculable damage. Liberals and libertarians do best not to play that game. Politics is not mathematics; it yields neither certainties nor enduring prescriptions. It is rather the art of the possible, and slipping into either the disordered anarchy of pole cats and foxes against which Hobbes warned or

into the devouring jaws of lions against which Locke cautions are perennial possibilities.

Having good institutions matters; so too do good laws. But these are not self-sustaining. They need regular nurturing mediated by the intelligence and affections of citizens jealous for their own liberties and respectful of the rights of their compatriots. Otherwise, we will lose out either to the lions in Washington or to the pole cats that snuck into and then out of a bleeding Oklahoma City. □

# Terra Incognita

## Bonn

Environmental consciousness in modern Germany, as described by *The New Republic*:

In Bonn, the government requires citizens to recycle toenails.

## Washington, D.C.

Observation by Rep. Charles Rangel (D-N.Y.), quoted in the *Washington Post*:

"It's not 'spic' and 'nigger' anymore. They say, 'Let's cut taxes.'"

## Poland

Living history, described in *World Press Review*:

Developers have converted Adolf Hitler's East Prussian command post into a tourist attraction. Hitler's guest house has been made into a hotel.

## Minnesota

One man's fight for religious freedom, as reported by *The Lutheran*:

Clifford Ansgar Nelson died Oct. 26. He was well known for leading a 20-year effort to preserve the Fort Snelling Memorial Chapel from threats posed by highways, state planners, and libertarians.

## Washington, D.C.

Expert advice in the Clinton era, described by the *Milwaukee Journal*:

Actress Kate Mulgrew, star of *Star Trek: Voyager*, was invited to the White House for an "issues briefing" touting women's achievements in science.

## Florida

Dispatch from the front in the War on Deadbeat Dads, from *The Wall Street Journal*:

Officials of the Florida Department of Revenue acknowledged that 500,000 of the 700,000 notices to fathers in arrears in child support payments were sent to individuals who in fact did not owe child support.

## U.S.A.

The science of standardized testing, elucidated in *Report Card*:

SAT designer Edward Curley admitted that coached test-takers were able to earn a perfect score on the reading comprehension sections of the test without reading the passages they're supposed to comprehend. But the tests still measure reading comprehension, he explained: "When they read the questions, and [read] the wrong answer choices, and [read] the right answer choice, the students are reading hundreds of words."

## Jerusalem

Traditional religious values in action, as described by the *Associated Press*:

Rabbis have ruled a couple's 1982 marriage unlawful because of a sin committed by the wife's family 2,500 years ago.

## San Francisco

Religion in the postmodern age, as described by the *Washington Post*:

San Francisco New Agers have been worshipping a four-foot-high abandoned parking barrier that resembles Shiva Linga, a symbol of the powers of the god of destruction.

## Washington, D.C.

Constructive advice from the federal government, reported by the *Detroit News*:

After researching ways to redesign five-gallon buckets to prevent infants from climbing into them and drowning, the Consumer Product Safety Commission recommended that manufacturers produce buckets that leak.

## Ottawa

Fighting unemployment in the Gentle White North, as reported in the *Globe and Mail*:

Paul Ebbs, for three years a lawyer for the House of Commons, says his \$70,000 a year was a waste of tax money. He has since successfully sued the government for giving him a boring job.

## San Francisco

A semiotic dispute in the Bay Area, as reported by the *San Francisco Examiner*:

A mural that resembles an enormous highway sign has been charged with violating the municipal planning code's rules governing signs.

## Hackensack, N.J.

Racial justice in the Garden State, as described by the *New York Times*:

An entire Montclair State University fraternity was required to perform 150 man-hours of community service after a member hung his Confederate flag over their sign in the student cafeteria.

## Washington, D.C.

Law enforcement strategy in our nation's capital, described by the *Washington Post*:

A planned drug raid had to be called off after the District of Columbia's public-housing agency announced it in a press release.

(Readers are invited to forward newspaper clippings or other items for publication in *Terra Incognita*.)



# The Letters of Ayn Rand

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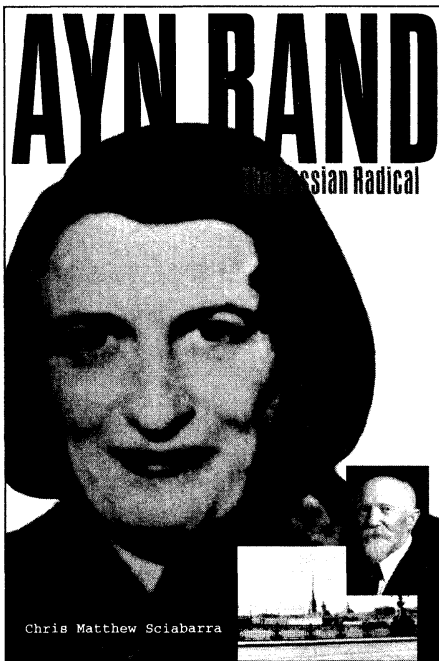
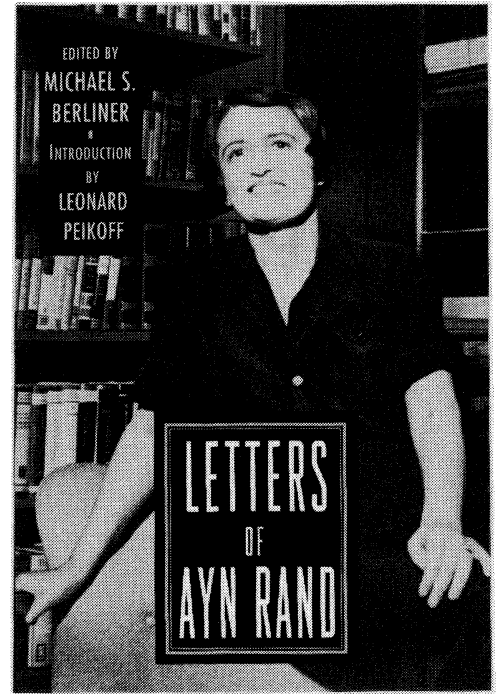
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—Leonard Peikoff

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# How to disappear off government computers

and how to keep the IRS and other snoops out of your own computer, phone, and fax

## The government has declared WAR on your privacy.

A friend of mine spent years building up his successful gold coin business. He was unpleasantly surprised one day by a visit from two IRS agents.

They complained that some of his customers were not paying taxes on their gold profits. They demanded detailed records of everything his clients bought. They wanted to know what type of cars they drove, if they wore expensive watches, and the addresses of girlfriends. The IRS also ordered him to secretly tape conversations with his clients, following IRS scripts.

My friend was outraged. The IRS' demands went far beyond the requirements of law and plain human decency. My friend told the IRS to get out of his offices.

## Guns drawn, government agents took over his offices.

Nothing happened for four months. Then one morning my friend came to work to find his employees and customers held at gunpoint. Customers were ordered to leave; employees were told to cooperate. These government thugs proceeded to ransack my friend's offices.

Without charging him with any crime, they opened safes, confiscated his gold inventory, seized his business records, froze his bank accounts, and sealed his offices.

## Every computer file was examined.

My friend was out of business, but that was only the beginning. Government experts poured over every file in his computers and located every asset he owned.

Three months later, the IRS informed my friend he had made mistakes on some of his IRS and SEC paperwork. These were technical violations of the law, minor paperwork errors anyone could easily make. But that didn't stop the IRS from seizing everything he owned.

## If my friend had read my book, 90% of his assets would have been safe.

There's no way to come out of a confrontation like this with the government 100% unscathed. But if my friend had read my new book, *How to Keep the IRS and*

*Other Snoops Out of Your Phone, Fax and Computer*, most of his assets would have remained anonymous and safe. And the IRS just wouldn't have had the information they needed to threaten him with criminal prosecution.

What happened to my friend in the gold business could easily happen to you. Government agents now operate with little regard for the law. The assets of thousands of innocent people are seized every week. But government agents aren't omnipotent. If they can't read your computer records, listen to your calls, or locate your assets are, they can't seize them.

That's the point of my new book, *How to Keep the IRS and Other Snoops Out of Your Phone, Fax and Computer*. In it you will learn the simple, inexpensive and legal ways you can protect your electronic privacy, including . . .

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and digital cash that could topple the IRS.

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