Liberty

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by Barbara Branden

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by Jonathan Ellis

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by Bruce Ramsey & Leon Hadar

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by Bob Black

Also: R. W. Bradford praises the Republican Revolution, Bill Kauffman stones a beltway Pharisee, Orlin Grabbe foresees the future of digital cash, Fred Smith explains the weird politics of billionaire media moguls... plus other articles, reviews & humor

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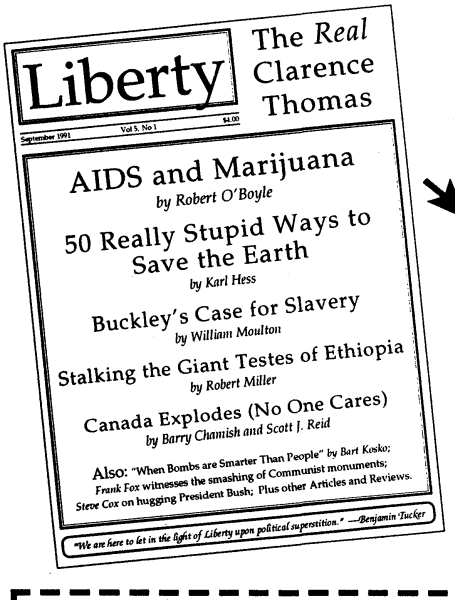

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Inside Liberty

July 1998
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Features

Reviews

Letters

Good Greed, Bad Greed

In his *Reflection* on John Stossel's ABC special "Greed, " where I appeared as a philosophical commentator, Timothy Virkkala ("Okay, make that six deadly sins," May) takes me to task for failing to employ the Aristotelian analysis of virtues and vices, and thus failing to see that greed is a character defect. I am certainly guilty on both counts.

Virkkala defines greed as "the excess of acquisitiveness, " i.e., the desire for too much wealth, or too strong a desire for wealth. The term evolved in a religious culture that frowned on the pursuit of material, this-worldly values, a culture that also gave us terms like "avarice," "cupidity," and "covetousness," but no terms to designate the intense but morally honorable pursuit of wealth.

In any case, wealth must be created by some form of productive achievement, and it is a means of enjoying the things money can buy. I do not see how there can be an excess of achievement or enjoyment.

This is a point I felt it was especially important to make in regard to the great industrialists, who have been portrayed as greedy for the fortunes they earned. If "greed" refers to the desire to create, to build a business, and to acquire and employ the financial assets necessary for that goal, then it is a virtue — in whatever degree. There is no vice in achievement, however "excessive," whether it is Shakespeare's profligate output as a playwright, or Edison's passion for invention, or Rockefeller's creation of the oil industry.

On the other hand, if "greed "refers to a desire for money divorced from achievement, i.e., neither as a reward nor as a means, then it is a vice — in whatever degree. There is no virtue in a desire for the unearned, however "moderate."

Needless to say, the "Greed" program did not go into these subtleties. But judging by the letters and other responses I've received, most people understood that we were using the word in the positive sense.

David Kelley
Poughkeepsie, N.Y.

Your Joke is in the Mail

I protest your publication of Tom Jaquish's letter (May) on the limits of private enterprise and his enthusiastic defense of the need for government to get involved in large-capital projects. I subscribe to *Liberty* for thoughtful arguments, not for humor.

What? It wasn't a joke? Well, why didn't *Liberty*'s editors reply? Presumably, they felt the argument was such evident nonsense that no reply was necessary.

But lest a single *Liberty* reader somewhere believe that only government is capable of delivering letters, one need point only to such services as UPS and Federal Express, preferred by millions of customers every day to the worn-out bureaucratic mess called the Postal Service.

Remember, individuals and corporations have been prohibited by law from delivering letters, not just in this country but in many others too. My friend Richard King tried to start a private letter delivery service in London in the 1960s, but was promptly put out of business by the government.

Only government can deliver the mail? On second thoughts, this was a joke, I'm sure.

Adrian Day
Annapolis, Md.

To the Moon and Back

Eric Sanders's letter (May) touches one of my pet peeves. It is no thanks to NASA that we have personal computers, Teflon or Tang. For example, Hewlett Packard had to reinvent the mini-computer without any help from NASA or Raytheon, the corporation that built the first mini-computer for NASA but failed to exploit the technology further or share it with others.

Putting the government in charge of the space program means subjecting it to brief bursts of activity interrupted by long periods of justifiable taxpayer revolt. After about two weeks logged on the moon's surface between 1969 and 1972, voters said "enough!" and no one has been back to the moon since.

In contrast, we have a continuous presence in close earth orbit precisely because there is at least some profit in it.

Miles Fowler
Oakland, Calif.

The Truth is Out There

Oswald killed Kennedy? ("The Fading Myth of JFK," May) Uh, yes, of course. And Clinton is honest, Paul was the most influential Beatle, Janet Reno is really sexy, and Elvis is alive and well and living in Harry Browne's basement.

Daniel Kirsner
Los Angeles, Calif.

No Competition

Tom Jaquish characterizes Harry Browne's familiar refrain "there is nothing government does well," to mean "doing better than the competition," and then attempts to convince us that there are indeed some things the government does better than the competition. But by definition, government has reserved for itself a monopoly on the initiation of force. It's easy for it to "do better than the competition," when the competition has been effectively kneecapped.

This is why it is especially galling when self-described "science fiction libertarians" leap to the defense of government-subsidized big science ("crack open the space frontier" & "investments like the Human Genome Project"), claiming it "carries us into the best possible future." These are the *Nerf Libertarians* who might decry drug prohibition or state censorship, yet pine lustfully for their government-subsidized super-conducting super colliders.

Jaquish whines that the "many billions of tax dollars" required to elimi-

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nate diseases like cancer and aging "are beyond the event horizon of the private capital markets." Sorry, but no science project, no matter how lofty or visionary, justifies picking your neighbor's pocket to finance it. And besides, I don't remember the successful life-altering innovations of Thomas Edison, Henry Ford, or Bill Gates (to name a few) requiring looted funds courtesy of the National Science Foundation.

K. J. Miller
Riyadh, Saudi Arabia

Jenerashun Gap

I have been a regular reader of *Liberty* for the past three years. For the most part I have enjoyed it immensely. However, I was absolutely outraged by Harry Browne's reflection "Here's too U, jenerashun X" in your May issue.

Well, Mr. Browne, I am a member of "jenerashun X," and unfortunately for you, I can read. I can also write; quite well in fact. In fact, I am a well-read and erudite fellow. However, despite all that, I find that I have to fight a constant battle against older generations who assume that everyone my age is an idiot.

Let me state this once and for all: I am an individual and not a category. If you wish to decry the deplorable state of public education, Mr. Browne, fine and dandy. But don't do it in a way that shows undeserved contempt for the students. For they are surely its worst victims, and they deserve compassion, not scorn.

Mark Sanders
Joplin, Mo.

A Muddled Model

In his "Equations of State" (March), Bart Kosko claims his model demonstrates that the amount of government is determined by the balance of pro- versus anti-government opinion, and that his equations "predict" that government rests on this ratio. Although it is true that state power ultimately depends on the tacit consent of the governed, and on the opinion which shapes that consent, the foundation of his equations of state, S(t), the degree of state control; and g, the degree of pro-government sentiment, are misconceived in the model.

S(t) ranges from S = 0, or anarchy, to S = 1, or "complete government control or totalitarianism," i.e., socialism. While anarchy is conceptually possible, and indeed is the natural state of society, socialism is impossible, as the Austrian economists proved in a famous debate more than half a century ago. Perhaps he thinks the socialists won that contest and that socialism can work. The fact that it cannot implies that S does not equal 1. This variable is also incapable of being measured.

The fundamental reason for the failure of the model, and the reason why S cannot be computed is that the concept of political freedom is an oxymoron. Freedom means economic freedom — the legally unimpeded liberty to own and exchange justly acquired property titles. Political freedom is meaningless, unless it means freedom from state intervention, i.e., the political means of property acquisition. Therefore, if David Nolan's political chart has any meaning at all, which I doubt, it collapses to a line segment, the length of which is directly proportional to the degree of liberty prevailing in society. Conceptually, the segment is shorter in proportion to the extent to which government intervention reduces economic liberty; but it cannot be measured.

More generally, the econometric method he employs is epistemologically and methodologically flawed, to put it mildly, and has been subjected to withering criticism by Ludwig von Mises, Murray N. Rothbard, and others. In case he hasn't read their works, let me offer a short proof that econometrics is a fallacy:

Econometrics is mathematical history.
Mathematics is apriori knowledge.
Ergo, econometics is apriori history.
Apriori history is false.
Ergo, econometics is false. QED.

Pace Kosko, spinning some "equations of state" in order to plumb the relationship between public opinion and state power is no substitute for reading history and social psychology, especially the writings of thinkers such as Etienne de la Boetie ("The Discourse of Voluntary Servitude") and David Hume ("Of the First Principles of Government").

William J. Stepp
New York, N.Y.

Utilitarian Simplicity

John Hospers's review of Richard Epstein's *Simple Rules for a Complex World* ("Simplicity Rules," May) misses the point. The only reason Epstein's libertarianism looks "sensible" to Hospers is that Hospers fails to identify the controversial moral premise underlying Epstein's arguments.

Epstein's arguments for his simple rules are all based on *utilitarianism*: he asserts that "the maximization of social utility [is] the objective of a sound system of legal rules" (p. 30). This premise is used throughout the book, and that explains, for example, why Epstein thinks that government takings are permissible given compensation. The fact that Epstein is a utilitarian also explains why he feels the need to argue for the principle of self-ownership, the principle that each person owns his own body. Hospers suggests that the principle seems "too obvious to be questioned", but from a utilitarian standpoint the principle is not obvious at all.

Consider the example of one healthy person, one person who will die if she doesn't get a heart transplant, and one person who will die if he doesn't get a liver transplant. Suppose that the sick people are sick through no fault of their own, there are no organs available from already dead bodies, and if the sick people get the transplants, they will have the same life expectancy as the healthy person now has. Utilitarianism requires that the requisite organs be taken from the healthy person, violating the principle of self-ownership.

While singing the praises for Epstein's questionable defense of self-ownership, Hospers compares Epstein with John Rawls, and claims that according to Rawls' *A Theory of Justice* "people with fewer talents should be made part-owners of people with great talents." That's simply false: Rawls correctly distinguishes between ownership of the self and ownership of the fruits of one's labor, and only rejects the latter. Rawls famously criticizes utilitarianism because it denies self-ownership and hence "does not take seriously the distinction between persons" (p. 27).

In sum, Epstein's simple, sensible principles of utilitarianism and self-ownership are contradictory. The world is more complex than Epstein and Hospers realize.

Bradley Monton
Princeton, N.J.

No Nice Days Here

Peter McWilliams ("The DEA Wishes Me a Nice Day," May) is a prominent member of a community

continued on page 28

Reflections

Respect for the office — Conservatives love to complain about how Boy Clinton, with all his antics and coverups and lying, is degrading the sacred office of the Presidency. I say if Clinton continues to degrade the office — particularly if he hangs around for the rest of his term under constant low-level attack, reduced to the iconic status of a constant source of one-liners for Leno and Letterman, he could perform a more signal service to the country than the last umpteen presidents combined. It's high time we stopped looking at the office of the presidency as a surrogate father, as the course of boundless compassion and solutions, as the sole person to blame or give credit to for the way the economy is going. A president can't manage the economy and we shouldn't delude ourselves that he can. And as a free people we shouldn't wish that he could. The president is simply the most successful operative of the moment at the inherently slimy business of politics, having slithered his way to the top by placing knives (both metaphorical and real) in the backs of people who got in his way. —AB

The man who knew Reagan — "Family values" huckster Gary Bauer's incipient campaign for the Republican presidential nomination is great news for those who think the White House should remain tenanted by a smarmy hypocrite.

Bauer is a Republican operative who whispered sweet nothings in Ronald Reagan's ear ("I often advised him on matters of great national importance" as he humbly puts it). His title was "domestic policy advisor," though, alas, he seems not to have convinced the Gipper to pay any attention to such domestic concerns as the Reagan children or grandchildren.

After leaving his position of Great National Importance, Bauer advised a conference of budding right-wing activist-geeks, "As for life inside the Beltway, don't come here. The values are warped. If I could find a way to make a living, I'd be back in the heartland in a minute." Nine years later, Bauer, the president of the Family Research Council — which, judging its newsletter, regards marijuana and the Chinese government as the gravest threats to the American family — has yet to find his way out of the Washington warp.

Our president's affair with that nice Jewish girl seems to have persuaded Mr. Bauer that we the living-less hordes "in the heartland" are ready to vote for a man from 501(c)(3) land. (And why not, given the 1996 vote for his fellow inmate in the reefer madness asylum, Steve "Arrest that Dope Smoking Cancer Patient" Forbes?)

Bauer's idea of getting stoned is hardly Christ-like. Unlike Jesus, he would ask the adulteress her party identification: if she was of the party of Spiro Agnew and Bill Paxon, she'd go free, but if she'd ever voted Democrat, well, don the helmet, harlot.

At a 1996 election roundtable sponsored by the American Enterprise Institute, a wisenheimer from the cheap seats asked Bauer if the messy fact that his paladin Bob Dole had dumped his frumpy first wife for glamourpuss Liddy was "a blot on Dole's character?"

Mr. Family Values squeaked, "I want to avoid critiquing individual episodes in someone's life and focus on policy. What I want Bob Dole to do is to push for divorce law reform. People can make their own judgments about how he handled his first marriage."

Yet when it comes, so to speak, to Bill Clinton's receipt of blowjobs from a 21-year-old floozy, Bauer is all atwitter. In his unctuous "Washington Watch" column, Bauer asserts that the president's erring member has "profound implications for our nation and how we teach our children about standards of right and wrong." No more pussyfooting around "episodes in someone's life" or injunctions to "focus on policy"; in this post-Dole era, "there's a terrible price to be paid when morality and truth are separated from public life."

The Party of Trophy Wives has found its tax-exempt Pharisee. Run, Gary, run. —BK

Two cheers for the GOP — Libertarians, especially those affiliated with the Libertarian Party, like to point out that the "Republican Revolution" of 1994 was far from a revolution. Government has not "got off our backs" at all; in fact, they point out, it has continued to grow. The Republican Revolution is a fraud, they say. It means absolutely nothing.

As reluctant as I am to say anything nice about the Republicans, I am convinced that the Republican victory in the 1994 election has had a significant impact on what's happening in Washington. For one thing, it is pretty obvious that if the Democrats had retained control of both houses of Congress, some form of Clinton's proposed government takeover of the health care industry would have been enacted.

But the GOP Congress has done more than slow the growth of government. It has actually reduced its power in a few minor, but still significant, ways.

In 1995, the GOP Congress repealed the federal mandate that states require the occupants of automobiles to wear seat belts and motorcycle riders to wear helmets. If you enjoy barrelling down the highway at 65 mph without having to keep an eye on your radar detector, or don't care to strap yourself onto your front seat when you make that midnight run to the market for munchies, you have the Republican Revolution to thank.

The GOP hearings on Waco and Ruby Ridge have had two beneficial results: they put on record the misdeeds of federal law enforcement agencies and the efforts to cover up those misdeeds. The result of which is that federal cops no longer figure that religious and political dissidents are fair game for target practice. In subsequent confrontations in Texas and Montana, federal officials actually negotiated with miscreants rather than simply shooting them or burning

them alive.

On May 7, the Senate voted for a sweeping overhaul of the Internal Revenue Service, going even further than the House had a month earlier. Both measures shift the burden of proof from the taxpayer to the IRS and make it easier for taxpayers to sue the IRS. The Senate version also prohibits the IRS from charging penalties and interest on taxes unless it informs the taxpayer within a year of his filing his return, and make it more difficult for the IRS to seize the property or bank accounts of citizens it accuses of owing taxes. President Clinton is critical of some aspects of the reforms, but is expected to go along. Even if he didn't, it's reasonably certain that congress would override any presidential veto: the Senate measure passed 97–0 and the House version 426–4.

These reforms are long overdue: for decades American taxpayers have had many fewer rights in dealing with the IRS than a common criminal has in dealing with the police, a fact that defies even the most rudimentary notion of fairness, not to mention common sense. This raises the question: why were the reforms so long in coming?

The answer is, quite simply, that the IRS had been able to portray the victims of its bullying tactics as bad people by carefully controlling the flow of information about them, conceding that occasionally an errant IRS agent may have gone overboard, but arguing that without its extraordinary power, many citizens would not pay their "fair share."

It was the Republican victory in the 1994 and 1996 congressional elections that changed this. Republicans in control of congressional committees did something that Democrats had refused to do: they allowed the victims of the IRS to tell horror stories of property stolen, homes raided, businesses smashed, and lives ruined by IRS bullies. The stories had emotional impact that could not be evaded.

That's why IRS reform passed both houses of Congress by such huge margins. And that's why President Clinton will sign the measure when it comes out of the joint House-Senate committee.

The Republican victory may not be the revolution that some have proclaimed it to be. But it has advanced liberty significantly. Those who advocate liberty — including partisans of the Libertarian Party — should have the honesty to acknowledge that simple fact. —RWB

Bugs in the system — Seen in the Nov./Dec. 1997 *The Bulletin of the Atomic Scientists*, this vexatious problem:

"Cuba's recent claim that the U.S. has unleashed a plague of tiny insects that have devoured Cuban potatoes and other crops — points once again to a major problem with the 1972 Biological Weapons Convention . . ."

Stop reading right there. Any guesses as to what that problem might be? Perhaps the ease of lodging bogus complaints for propaganda purposes. Especially by regimes that, having lost their geopolitical patron, are rapidly losing their fingernail grip on the twentieth century.

No. According to the *Bulletin*, the problem is as follows: "the lack of machinery for investigating charges of non-compliance." That is, the non-compliance of the United States in trying to stage a kind of arthropodic Bay of Pigs against Cuba's collective farms.

I suppose America's covert warriors could have dropped an alien, potato-devouring insect onto the beleagured island, as part of a continuing plot to destroy whatever the revolution and embargo have left intact.

Or, maybe Cuban agriculture is just reaping the harvest of decades of socialist mismanagement. —BB

Without a Pot to piss on — Pol Pot died the way all butchers should — despised by the world. Too bad we can't say the same for his ideology.

These days, real live Communists congregate in trendy locales like Berkeley, Boulder, and Ann Arbor, to suckle at the tits of a public university. At night they gather in cleverly named coffee shops to discuss the injustices of the marketplace. Staring wistfully into the swirling steamed milk of their comforting lattes, they fantasize Utopia: no homeless, no pollution, no commerce, lots of birds, alternative energies, smart people like themselves . . .

But then one of them looks outside and sees a panhandler or a styrofoam cup blowing by, and the brooding begins. They talk strategy and awe themselves with punchy slogans like "Working Collectively for the 21st Century." And when the subject turns to Communist history they pontificate on how 20th century Communists weren't Communists at all because Communism has never been applied correctly. On they drone, late into the night, fueled by a dangerous mixture of caffeine and zeal.

Perhaps Pol Pot lived a similar life as a student in Paris, where he studied radio technology on a government grant from 1949 to 1952. By his own admission, he spent more time engaged in radical Communist activities and reading poetry than going to class. Back home, he helped organize Cambodia's Communist party, the Khmer Rouge, whose leader he became in 1962. The Khmer Rouge got nowhere until Nixon's decision in 1973 to bomb the hell out of Cambodia, which left many Cambodians homeless, resentful, and susceptible to the Khmer Rouge recruiting officers. With its burgeoning army it was unstoppable. Its army marched into the capital of Phnom Penh in 1975 with Pol Pot calling the shots.

Pol Pot turned Cambodia into a bloody slaughterhouse. Fanatical soldiers herded terrified residents of Phnom Penh into the countryside to toil in collective farms. Bodies piled up in the streets as death squads slaughtered intellectuals and other "counter-revolutionaries." Pol Pot ordered hospitals closed, leaving the sick and elderly to slowly starve. Bayoneting children became sport — and those were the fortunate ones. Soldiers used others for crocodile bait and firewood. Flies and other vermin feasted on the bounty. Rats grew to the size of dogs, and maggots devoured whole bodies in hours.

The horror ended in 1979 when a Vietnamese invasion overthrew Pol Pot's regime. Pol Pot and many of his goons slithered away into the jungle, where they continued, on a smaller scale, to massacre peasants in a guerrilla war that lasts today.

Liberty's Editors *Reflect*

BB	Brien Bartels
AB	Alan Bock
RWB	R.W. Bradford
HB	Harry Browne
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Pol Pot and his fanatics butchered an estimated 2,400,000 Cambodians, or about one of every four of his countrymen. Among the ranks of this bloody century's mass murderers, Pol Pot might not seem like a heavy hitter. After all, the Communists in Russia exterminated about 55 million and the Chinese Communists another 35 million. But it took the combined efforts of Lenin and Stalin 35 years to chalk up this total, and Mao 30 years — Pol Pot managed his impressive .250 average in just four. Other Communist leaders inducted into the Butchers' Hall of Fame include: Tito, 2.13 million; Kim Il-sung, 3.5 million; Ho Chi Minh, 1.1 million. Those silly commies in Berkeley had better get busy if they expect to make the big leagues.

As this murderous century ends on a relatively benign note, I fear these mass murderers may be forgotten. That would be a shame. I propose that we honor these 20th century tyrants with pilgrimages to their graves every May Day, to soak them in urine. Let's declare it a holiday, call it "Tyrants' Grave Pissing Day." Brutalizing tyrant effigies adds a nice touch — who outside the Berkeleys of the world wouldn't enjoy taking a 12-gauge to a stuffed Stalin? Let these festivities warn the next wave of butchers who are bound to come. —JE

Clip joint — Last week I visited my local pharmacy to pick up a drug which, although legal, excludes me from further Olympic competition. It would be about ten minutes to fill the prescription, the pharmacist informed me, so I decided to use the time for some light shopping.

A bit of background. I happen to be a world-class couponer. I spot coupons, clip them, nurture them until their time is ripe; then and only then, with the deft, deadly decisiveness of a matador's thrust, do I launch them toward the cash register. Some clip to save a bit of money, but to me couponing is first and foremost sport. An acquaintance has referred to me as the Michael Jordan of the coupon game. Modesty won't allow me to accept that title; I think of myself as more a Charles Barkley with the scissors.

But I digress. Back to the drug store. A short search yielded neon-blue nail polish and vampy lipstick to gladden a teenage daughter's heart. Regularly priced they would cost about $8; on sale and slimmed by coupons the tariff was $1.98. Plus tax, of course: total $2.36.

"$2.36??!" Rapid calculation informed me I was being hoisted to the tune of 20 percent. Even in John Glenn's Ohio that didn't compute. "There's got to be a mistake," I opined. No mistake, the cashier informed me: the state requires the store to compute tax on the pre-coupon price. "But I'm *not paying* that price; that's the *point* of using coupons!" The incredulity in my voice may have projected a tad, because the manager walked over to join the conversation. He confirmed the cashier's account.

"That's ridiculous! How can I be taxed on a price that I'm not actually paying? And if you're going to do that, then you've got to count the coupon as a *negative price* for which I get tax back!" But I was wasting my breath. Not because the manager demurred; just the opposite. He accepted my reasoning, said that the excess tax charge probably cost his store some business, wished his hands weren't tied.

So I paid. It wasn't really all that much money, and the couponing triumph had been only slightly impugned. In a sense it was money well spent. At a tuition cost of about a quarter I had been afforded a refresher course in state chicanery. My indignation had been stoked and ire rekindled. I was ready to go off and do great things to smite the oppressor.

Apparently I wasn't alone in this sentiment. By coincidence, the next day Ohioans went to the polls to cast primary ballots and to vote on a one-cent increase in the state sales tax to fund a court-ordered school district equalization. The governor endorsed the proposal as did the legislative leadership of both parties and the vast bulk of the illuminati. The people, though, did not join them. Instead, over 70 percent voted NO. Might many of them also have stood in checkout lines and gotten less change back than they had expected? I can't say, but I do know that this time it was the politicos who got clipped. —LEL

"What do you suppose goes on in their minds down there, anyway?"

Generation Antitrust — No aspect of American law is loonier — or confers more arbitrary power on the state — than antitrust law. In theory, antitrust laws prevent businessmen from gaining monopolies and making extortionate profits at the expense of the general population. But, as Ayn Rand observed, antitrust laws quickly "grew into a haphazard accumulation of non-objective laws, so vague, complex, contradictory and inconsistent that any business practice can now be construed as illegal, and by complying with one law a businessman opens himself up to prosecution under several others."

During the first 90 years after antitrust laws were enacted, they were employed to harass businesses and stifle competition, while government granted outright monopolies to various favored enterprises. During the past two decades, however, an astonishing idea has dawned on influential members of the populace, the idea that what competition requires is the absence of restrictions on competition. Antitrust laws have largely fallen into disuse.

But that situation is rapidly changing. About a year ago, the Justice Department began an investigation of Microsoft. The Clinton administration accused the gigantic software mill of trying to monopolize the market for Web browsers (specialized software that enables people to browse the World Wide Web, or Internet).

The charge seemed absurd on the face of it. Web browsers constituted one of the very few types of software of which Microsoft did *not* enjoy a dominant market share. Microsoft had made a late entry into the field, and was far

behind the competition. The most widely used Web browser was America Online's proprietary interface. Netscape Navigator was second, while Microsoft's entry, Internet Explorer, was a distant third. Microsoft was so far behind, in fact, that it gave free copies of Internet Explorer to anyone who wanted it, in a desperate move to gain market share.

Such is Microsoft's savvy and competitiveness, however, that its competitors trembled with fear. But rather than investing money and effort to try to stay ahead of Microsoft by improving their own product, the competitors lobbied both the Clinton administration and the Republican Congress to prosecute Microsoft as a monopoly.

The charge didn't make the slightest bit of sense. But then antitrust cases never do.

Microsoft is skilled at developing and marketing computer software, but not skilled at bribery and lobbying. Nor is it very skilled at public relations. For its failure to be competitive at these arcane and pernicious activities, Microsoft has paid a horrible price: during the past few months, it has had to focus considerable resources on defending itself against this loony charge. And so far, it's losing the battle.

Microsoft's failure has emboldened other unsuccessful competitors. On May 7, Pepsi sued Coke for violation of antitrust laws. As a result of its long-term campaign to make Coke universally available, the world's largest purveyor of sugar water has captured a 65 percent share of soft drink sales in restaurants, compared to Pepsi's 25 percent share. Having failed to compete successfully for consumers, Pepsi used the bludgeon of antitrust.

Pepsi never would have tried to use antitrust laws against Coke if those laws were in any sense rational or objective. If they were, the same logic that sees illegal monopolistic behavior in Coke's 2.6-to-1 advantage over Pepsi would see illegal monopolistic behavior in Pepsi's 2.5-to-1 advantage over third-place Cadbury. But antitrust is loony, and its logic cannot be consistently applied. In the end, antitrust cases are decided by public relations and lobbying, not by logic, and Pepsi has little fear that the antitrust law will be turned against them.

Pepsi and Netscape threaten to reverse recent progress toward freer competition. Using the fist of government to harm competitors is just plain immoral. The war is being fought in court rooms and the halls of Congress, and there's little that I can do to affect its outcome. But there's one thing that's within my power: I won't buy the products of these corporate thugs.

I have always been suspicious of organized boycotts, and I am not trying to start one now. I am simply making a personal choice. No more Pepsi for me, nor Lay's potato chips or Fritos or Tostitos, and no Netscape Navigator on my computer. My action certainly won't bring Pepsi or Netscape to their knees. But at least I won't be participating in their villainy. —RWB

The truth shall make you free — Webster Hubbell, Susan McDougall and various other scoundrels are fond of implying that Ken Starr is only interested in stuff that implicates the hero Clinton, and saying, when they refuse to cooperate or testify at all, that "I won't lie about the President just to please Ken Starr." If they really meant what they imply, however, there would be an easier (and less incarceratory) way to defeat the wily devil Starr. They could simply testify fully and openly and refuse to lie! That would fix his little red wagon, wouldn't it? Wonder why they don't take the straightforward path? Couldn't be that they have a notion the evil prosecutor knows something about the laws on perjury, could it? —AB

It wasn't broken, it's being fixed — Children, children, calm down. It's all over. You were just having a bad dream.

For a moment, you thought that the IRS had abused its power. You dreamed that witnesses had testified before a congressional committee describing how the tax collectors had terrorized them and ruined their lives. You dreamed that IRS agent Jennifer Long testified under oath that IRS agents fabricate evidence "to extract unfairly assessed taxes from taxpayers, literally ruining families, lives and businesses — all unnecessarily and sometimes illegally." You dreamed that Long swore that the IRS preys on low-income and poorly educated people who are seen as especially vulnerable to pressure.

But it was only a bad dream. You see, the Treasury's Office of Inspector General has conducted an investigation and — listen up, kids — the investigators found Long's allegations to be "unfounded" and "unsubstantiated."

Besides, after further congressional hearings in April 1998, featuring former Senate Majority Leader Howard Baker as the near-victim of a "rogue" agent, IRS Commissioner Charles Rossotti declared, "The hearings of the past week further demonstrate that fundamental change at the IRS is needed." In short, the IRS has done nothing wrong, and it damn sure won't do it again.

So shut up, you brats. The IRS will soon become more "client-friendly" (translation: not so many of those distressing armed raids on small businesses by jack-booted IRS agents). Everything is going to be okay. Now, be quiet or I'll spank you. —RH

Browsing a hidden agenda — What's behind the Justice Department's jihad against Microsoft? Surely it can't be that all those fresh graduates of law school have some kind of existential devotion to economic competition as an abstract ideal. I'm always surprised when I find a lawyer who actually has a glimmering of understanding of economic competition as anything other than an incantatory phrase. A few people have noted the obvious interest that some of Microsoft's competitors, especially those in Silicon Valley and Utah, have in the government's taking Microsoft down a few pegs. And sure enough, Senators from California (Boxer and Feinstein) and Utah (Orrin Hatch) have been among the more enthusiastic cheerleaders for forcible micromanagement of Microsoft's research and marketing tactics.

A more fundamental reason, however, could be the enduring desire of government to find some way, some justification, some tactic, to seize control over the Internet and the emerging computer/communications revolution. Politicians and bureaucrats sometimes quite openly express their frustration about innovations cascading into the marketplace so fast and so unpredictably that they don't have a prayer of keeping up with them. As soon as these noble public servants devise a set of rules and regulations, they discover that technological change has made their precious

rules irrelevant. And somewhere in some of their little pea brains lurks the unpleasant suspicion that direct communications among people via a Net — rather than a nice, straight Superhighway with off-ramps and lots of cops — will eventually put them out of business.

Thus the attacks on Microsoft, the manufactured frenzy over pornography on the Net, and the hand-wringing about glaze-eyed, slack-jawed teenage nerds wasting away their lives in front of a computer screen, feasting on information the government not only doesn't control, but doesn't even know about. —AB

Corps values — I vividly remember an episode from Marine Corps boot camp at Parris Island, South Carolina. It was the night before my platoon was to take a written test on the history and traditions of the Corps. A drill instructor came to me and said, "Stooksbury, you've been to college, help Jones here prepare for the test tomorrow." So Jones and I spent a couple of hours preparing for the test and both passed the next day. We were better off for our hard work, and in spite of our very different backgrounds, we became friends.

There's only one problem with this inspiring story. It didn't happen. In reality, when it came time to prepare for our written test in boot camp, the drill instructors passed out copies of the test and spoon fed us the correct answers to circle on the multiple choice exam, leaving nothing to chance. That episode came to mind when I read the notices for *Making the Corps*, by Thomas Ricks.

Ricks is a reporter who published a widely noted article in *The Wall Street Journal* in 1995 about his observations of platoon 3086 at Parris Island. I haven't read the book, but the article and the excerpts that appeared in *The Atlantic Monthly* and *Parade* were enough to repeatedly set off my crap detector.

Supposedly the new Marines were disgusted with their old friends in the "nasty" civilian world. He reads far too much into the temporary hangover that most Marines have after boot camp. I don't doubt that a few Marines feel estranged and distant from the broader culture. But I would not give much credence to opinions on the subject expressed by recent boot camp grads referring to their old friends as (using a boot camp buzz word) "nasty." Of course some guys are a little disturbed by what they see in the outside world after three months of brainwashing. It does not wear off overnight. But rest assured, it does wear off.

The "values" that Ricks talks about form an important part of the Corps' image. When I talked to an Army recruiter, he stressed the economic benefits of being in the reserves. The Marine recruiter talked about values. He told me in particular that there were no liars or thieves in the Marine Corps. He was lying, of course, a fact I discovered when a recruiter invited me to shade the truth on some of my paperwork about the amount of pot that I had previously smoked, after I had inconveniently told the truth about smoking it at all. And one of the first things that I noticed at Camp Lejeune, North Carolina, where I went for training after boot camp, was the pervasive petty theft. The powers that be dealt with it by punishing people who failed to keep their valuables locked away from temptation. All of the rooms were equipped with warning signs about the theft problem.

Ricks displays utter credulity when he quotes several new Marines being disgusted by civilian drinking. One complains that all his old friends want do is "get smashed." Of course, any casual observer could see that getting "smashed" is central to the culture of the Marine Corps.

The reviews that I have seen have repeated the same credulous tone. *The Washington Monthly*'s reviewer was so agog that she wants parents and schools to "demand the discipline, excellence, teamwork, and honor instilled at Parris Island." In *The American Enterprise*, an Army combat veteran, who should know better, worried that outside influences not undermine the Marine Corps' "high moral standards" and fretted over the possibility of the broader American culture dragging the military "slouching towards Gomorrah."

In its rather illustrious history — "From the halls of Montezuma, to the shores of Tripoli"— the Marine Corps has performed its mission reasonably well. And it does a good job instilling the virtues it needs to accomplish its mission. Those virtues include physical fitness, courage and discipline of the sort that allows one to tolerate discomfort and privation over extended periods of time. If I were entering the military today I would not even waste my time talking to an Army recruiter. But journalists covering the institution should approach it with more skepticism than Thomas Ricks is able to muster. —CS

Ground control to Major Al — Al Gore wants to waste $50 million of our money on the boob tube. Gore and NASA are teaming up to shoot a satellite into space where it will send an image of Earth directly to your living room. Said Gore, it "will allow people around the world to gaze at our planet as it travels in its orbit around the sun." So cozy on up to your TV — pass the buttered pop-

corn and the speed — we've got Earth TV!

You'll need the speed to stay awake. Earth TV is bound to be insipid — just what you'd expect from Gore. Who wants to sit around and watch the Earth when there's *real* TV that needs watching?

So why is Gore starry-eyed about a channel that is destined to compete with PBS for the fewest viewers? First, because he doesn't care if Earth TV's not as popular as reruns of *The Donna Reed Show*. It's not his own $50 million floating in the black abyss of space. And second, Gore thinks that Earth TV will turn the few people who do watch it into eco-weenies like himself.

Fortunately, this is another government proposal that won't work. Young people are not going to forsake their video games and beer bashes to become smelly pantheists just because they're exposed to Earth TV. Gore's belief that Earth TV will plunge the world into a fit of global awareness is related to the same bogus logic that claims nefarious advertisers turn people into boozers and smokers. —JE

Inconvenience, Part I — Now that summer is upon us, we no longer have to worry about power blackouts caused by winter storms. Instead we have to worry about power blackouts caused by air-conditioning overload.

Can you think of any competitive industry that makes us suffer through as many shortages and failures as public utilities do? Not only power blackouts, but recurring water shortages in many parts of the country. Do private food producers ever have to say, "Sorry, we're working as fast as we can to get food back into the stores"? Even pharmaceutical companies — despite the roadblocks of federal regulation — never have to say, "We're doing the best we can to end the current shortage of medicine."

Once the Post Office had to face competition from Federal Express and UPS, it was amazing how quickly the excuses stopped and service expanded. And did you notice how monopoly cable companies became more user-friendly and responsive as satellite dishes came down in price?

If there were competition among utility companies, don't you think someone would have figured out by now how to eliminate shortages and blackouts? —HB

Inconvenience, Part II — And speaking of monopolies and service, does any private industry cause you as much inconvenience as the government's roads?

Today's roads are built in substantially the same way they were 50 years ago. They are just as deadly as they were then and they need repairs just as often (and they never get them soon enough).

Yes, road traffic has increased over the past 50 years. But not as much as food consumption, computer usage, or sports attendance. Yet the latter industries have had little trouble meeting an increased demand without inconveniencing their customers. Why aren't roads improving?

In fact, why are they getting worse — bumpier and more congested? For the same reason that schools, police protection, and judicial decisions are deteriorating. Because they're government enterprises and government doesn't work.

Private companies do work. Does the busiest department store at Christmastime inconvenience you as much as traffic jams on government roads do all year round? Probably not. Roads will be more convenient and much safer when they're built by private companies whose profits depend upon serving their customers better than their competitors do.

But how would private roads work? Would you really want to pay a fee or show your Visa card every time you turn onto a different street?

Of course not. But do you have to do that every time you make a phone call, use CompuServe, ask the waiter for another glass of water, or turn on your TV to use the local cable service? Part of competing for customers is finding a convenient way for them to pay for the service. Let's hope that someday soon private road companies will be competing to make you as happy as food processors do. —HB

Stimulus and response — I don't pledge allegiance to the flag.

I know this will shock and disgust many of our patriotic readers. But there it is. After twelve years of politely reciting the memorized stanzas in school, I had had enough of the display. I decided I wasn't going to take part in any public loyalty oaths, not to any brightly colored cloth and not to any putative "republic."

Fortunately, I have managed to avoid the pledge since high school. Until recently. I made the error of being on time to a meeting of a local good-government committee; I had always been ten minutes late before. The chairman stood up and went to the podium of the Elks Club hall and said, "Let's call this meeting to order . . . but first, there's the flag."

It dawned on me that there was no escape this time. I sat next to what looked to be a Korean War veteran. Across the room was an elderly one-eyed gentleman who had shook my hand warmly when I joined the committee. He had probably lost that other eye to a Hitler Youth storm trooper's potato masher in the Ardennes. I imagined the one remaining would look on me coldly if I held my seat.

I couldn't very well just refuse to pledge; I had too much to accomplish to risk antagonizing their patriotism. For a moment, I considered putting one over on these people by claiming to be a Jehovah's Witness. In the end, I just stood there, with my hand over my heart. It thumped like a tattoo at an execution. The fifty other people there said the pledge; I just tried to look earnest. And when the last verse echoed away, I collapsed back into my seat.

Pavlov rings his bell; the dog salivates. Someone puts a flag in front of me, and I get faint. Who'd have thought nationalism could be psychopathological? —BB

Investing in coercion — Ever since passage of the Social Security Act in 1935, the government has assured each person paying the payroll tax that "you have a Social Security account" into which the payments go, and so you accumulate funds (plus interest) that will be paid back as monthly benefits during your retirement. Although this political humbug has recently become widely recognized, the fact that the retirement benefits are tied, however loosely, to the amount of your "contributions" continues to prop up the fiction that the system partakes of insurance. Supporters of the system still characterize it as a low yielding but highly reliable retirement plan for those who pay into it.

But faced with arguments for partial or complete privati-

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A Sage at 80

A century or two from now, I suspect, historians looking back at the libertarian movement will have a much greater appreciation of John Hospers than most libertarians do today. Oh yes, we all know John was the Libertarian Party's first presidential candidate, and some of us recall his book, *Libertarianism*, and are at least vaguely familiar with his writing in libertarian magazines like *Reason* and *Liberty*. But his influence on the growth and vigor of the libertarian movement goes beyond his quixotic presidential campaign and his writing, however important those activities may be.

To understand the impact of John Hospers, one has to understand the intellectual climate in the 1960s and early 70s. The notions that government might be too powerful and that the life, liberty and property of individuals ought to be respected were so seldom encountered that they had virtually no impact on public policy, political discussion or intellectual debate. The most widely circulated explicitly libertarian publication of the era was *Innovator*, a monthly newsletter whose circulation peaked at around 700.

In 1969, when I considered pursuing an advanced degree and an academic career, I could count the colleges and universities that had even a single libertarian on their faculty on my fingers and toes. For an established academic to advocate radical libertarian ideas was to marginalize himself, to be branded an eccentric, to be excluded from respectable company.

The brilliant libertarian economist Ludwig von Mises, then near the end of his extraordinarily long and productive career, could not even get a job in the academic world until a wealthy friend agreed to pay a university to hire him and allow him to teach a course as an "adjunct professor."

At about that same time, John Hospers accepted a position as Professor of Philosophy and Director of the School of Philosophy at the University of Southern California. He was already a successful academic, a philosopher specializing in esthetics. He had published several well-received books, including *Meaning and Truth in the Arts* (1946), *Human Conduct* (1961), and *Introduction to Philosophical Analysis* (1967), and had written dozens of scholarly articles.

A decade earlier, he had encountered Ayn Rand's *Atlas Shrugged*, and found its political thinking fascinating. As always when he encountered an interesting new theory, Hospers put his powerful mind to work, exploring the logical architecture of Rand's politics, examining its derivation, thinking through its implications, identifying its flaws and weaknesses. This experience — which continues to this day — changed him profoundly. John is a libertarian philosopher of the first order, one whose love of truth produced an intellectually vigorous libertarianism, free of dogma and full of quiet conviction.

During the decade that followed his arrival at USC, John acted on this conviction. He published papers by aspiring young libertarian academics in scholarly journals he edited, and arranged for their papers to be delivered at conferences. In 1971, he published his pathbreaking book *Libertarianism*, which surveyed libertarian thinking, summarized its radical approach to political and economic issues, and explored its philosophical implications. In 1972, to the consternation of his academic colleagues, he accepted the presidential nomination of the nascent Libertarian Party. His energetic shoestring campaign brought libertarianism to the attention of a large number of Americans when a Republican member of the Electoral College turned his back on his party's nominee and cast his vote for John.

None of this activity did a thing to advance John's academic career; indeed, a colleague of his at USC told me that his libertarian activism was a major factor in USC's refusal to give him emeritus status. If John ever regretted his willingness to sacrifice his career to his convictions, he never said a word. And he changed the world. The doors he opened for young libertarian academics have been a significant factor in helping libertarians gain a foothold in the academy. Today a young person seeking an academic career in the social sciences or philosophy no longer faces the extremely limited options that I faced in 1969. And John Hospers's campaign for the presidency broke through the complacency of many libertarians and is probably responsible for the emergence of the LP from obscurity to its status as America's largest and most vigorous third party.

His love of truth produced an intellectually vigorous libertarianism, free of dogma and full of quiet conviction.

John has always been a philosopher, in the best and literal meaning of the term: he has loved truth above all else, seeking it endlessly, advocating it fearlessly. He writes with grace and style, with a remarkable clarity that gives the lie to the notion that philosophers writing about recondite subjects must be abstruse. His quiet generosity of spirit has always been evident in his willingness to help all who approach him.

John Hospers is a great, quiet and modest man, a friend of truth, a friend of liberty, a friend of all mankind. On June 9, he will celebrate his 80th birthday. At least I hope he'll stop and celebrate, though I am not sure that he will have the time. He remains busier and more productive than men a third his age: he is currently teaching a course on the philosophy of law at UCLA, has a major article coming out in the *Journal of Libertarian Studies*, is preparing lectures for a summer conference of the Institute for Objectivist Studies, engages in lively email discussions with his friends, has just finished preparing a new edition of his *Introduction to Philosophical Analysis*, and is always happy to share his good counsel with me in his role as Senior Editor of this magazine.

On June 9, I know that I will stop and reflect on his contributions to the cause of liberty and drink a toast to this remarkable man. And I hope that others who love liberty will do the same.

—RWB

zation of retirement insurance, supporters of the existing government program are now admitting why they prefer it. In a March 29 editorial, the *New York Times*, in its capacity as protector of the lesser sorts, opines that "most workers will not save for their future" and praises the Social Security program's "magnificent record in redistributing money from rich to poor and thereby lifting millions of retirees out of poverty each year."

The *Times* editorialists brazenly identify the fraudulent character of the government's program as its chief merit: "Social Security has promised to pay millions of retirees benefits that far exceed the amounts they pay into the trust fund. Part of the payroll tax that workers turn over to the Social Security system covers these unfunded benefits." By this reasoning, private insurance really doesn't do much better than Social Security. "If part of the money that workers would deposit in private retirement accounts under the Moynihan [partial privatization] plan were siphoned off to pay their fair share of unfunded benefits, then the yield on these accounts would look puny too."

Sure enough. If one's investments are subject to expropriation wherever they are, then it really doesn't matter where one invests. —RH

The metamorphosis of George McGovern— Back in 1988, the T-shirt craze of the year was an exhortation to draft Richard Nixon for the upcoming presidential contest. "He's tanned, he's rested, he's ready! Nixon in '88!" Everybody laughed . . . then. Now, it seems, President Nixon's nemesis, Sen. George McGovern, is suddenly cropping back up into the political fields we thought were mown down. And he's back as a libertarian.

I was introduced to the good senator the same way a lot of people in my generation were: reading Hunter S. Thompson's account of McGovern's doomed 1972 presidential campaign. Thompson said a lot of things about McGovern, called him, quoting Bobby Kennedy, "the most decent man in the Senate" (surely a red flag if there ever was one), and repeated his statement that he would crawl to Hanoi to bring peace to Vietnam.

Since that happy time, of course, McGovern popped up again and again in the news, mostly from out of the dismal lower reaches of the Democratic Party. Making a cameo appearance in the presidential primary in 1984. Defending the Democrats' foreign policy triumphs (like Vietnam?) and absorbing personal insults from William F. Buckley on a *Firing Line* debate in 1986. Volunteering to run against George Bush back when Bush frightened careerist Democratic pols out of the 1992 primaries. (Remember when George Bush was frightening?) In presidential campaigns, a candidate's experience matters to voters. But McGovern's experience seemed to be limited to getting trounced by incumbents.

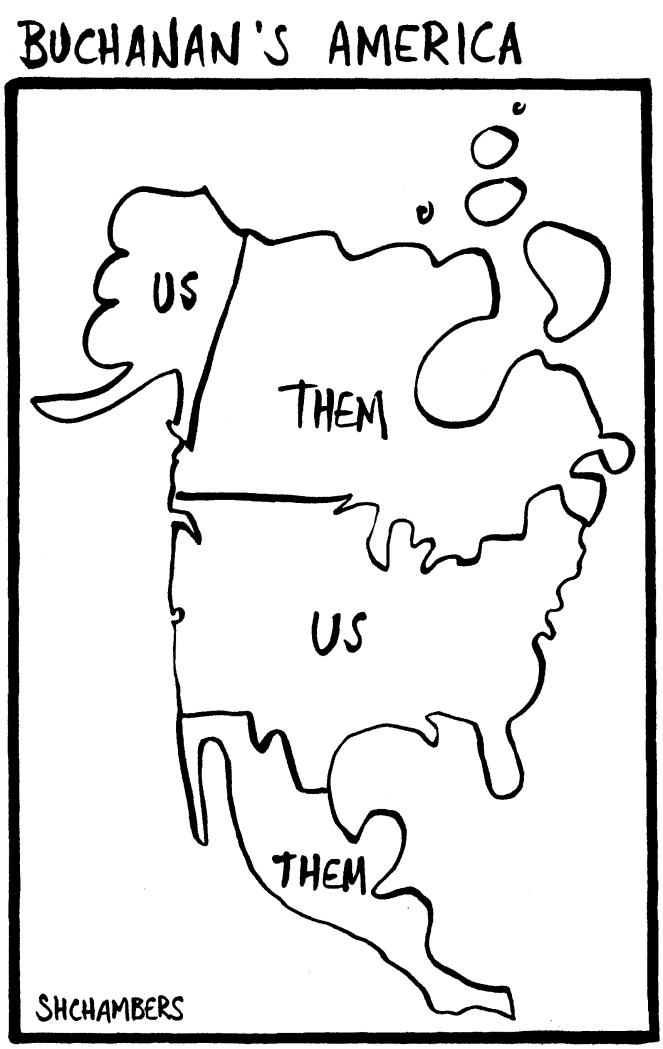
But then his life story seemed to change. The liberal statist found space at *The Wall Street Journal* to express his annoyance at government regulations which interfered with his opening a hotel in New England. After a few years, I saw his *New York Times* Op-ed defending personal freedom in 1997 ("Whose life is it?" August 14). An article in *The Freeman* refers to it approvingly ("The Tobacco Deal: Myths and Misconceptions," January 1998). Finally, I open an issue of the *Libertarian Party News* and see, in a reader response column, George McGovern listed among candidates the party should draft for the 2000 election.

Now, I'm not going to hop on that bandwagon, but I see the logic: McGovern offers the party name recognition and the capability to "reach out" to people who despise libertarians, and the LP gives him a chance to put to use his experience in running inept presidential bids. —BB

The reality check is in the mail — Working in *Liberty*'s mail room one afternoon, I picked up a stamp that I had not seen before. The stamp had the picture of a dignified elder, and on it I saw the words "John Hospers" and "$1."

But a double take revealed it didn't say that at all. The glaring visage was that of Johns Hopkins, the university founder, not John Hospers, co-founder of the Libertarian Party, presidential candidate, and challenger of "the cult of the omnipotent state."

Disappointing. But perhaps it is premature to wish to see such pathfinders embossed on postage. I hope that someday, one de-monopolized postal service will issue a commemorative to the long line of libertarians who have vexed the state and its privileged yahoos. And on that day a dollar will buy



a lot more postage than it does now. —BB

A dilemma punctured — We've recently been through one of our periodic exchanges of vapid soundbites regarding needle exchange programs. While the Clinton administration praised local programs in which government agencies trade used hypodermic needles for clean ones (and some information about drug treatment and the like) without arresting addicts as a way to reduce the transmission of AIDS, it assured us that it wouldn't be using any federal money to finance such programs. Conservatives breathed a sigh of relief.

Debra Saunders of the *San Francisco Chronicle* offered one sensible response to the brouhaha. She spent some time observing San Francisco's city-run needle exchange program, pronounced it constructive and wise, and expressed relief that the feds wouldn't be meddling, with their inevitable useless paperwork and interference.

There's another way to look at the issue, and an alternative that should meet semi-valid objections to needle exchange programs. Many argue that it's offensive to use taxpayers' money to subsidize the drug habits of addicts and encourage them to rely on paternalistic government to make things easy for them. Fine. Then legalize the sale of needles and let the addicts pay for them themselves. Needles aren't all that expensive or inherently dangerous. They're on a tightly controlled prescription system solely to keep them out of the hands of addicts. The controls have not accomplished that, but they have managed to kill a number of people because of the incentive the regulation creates to use needles again and again. Simply legalizing needles would eliminate taxpayer subsidies and paternalism and make addicts responsible, financially and morally, for the hygienic aspects of their habits. —AB

Clip'n save or else — Last September, New York State Attorney General, Dennis Vacco, announced that the state "had reached a settlement with ten grocery product manufacturers and brokers and the Wegmans supermarket chain" that will result in $2.00 coupons being issued to the people of western New York until the companies involved put $4.2 million into the debit columns. Vacco's office had filed an anti-trust lawsuit against the Procter and Gamble Company, the Clorox Company, the Pillsbury Company and others for "conspiring" to do away with coupons at the expense of the "elderly, families with young children and those on limited budgets."

The same day the State of New York filed its lawsuit, it also offered a multi-million dollar settlement. In other words, fork over $4.2 million or face the essentially limitless resources of the State in court for as long as it takes. Understandably, while admitting no wrong-doing, the companies ran the numbers and, folding like Superman on laundry day, just paid up. According to Wegman's chairman, Robert Wegman, "it would have cost as much as $2 million and taken two to four years to defend our good name." By submitting to the State's demand, it "only" cost them $500,000.

Coupons are a marketing device; a temporary price cut to increase cash flow, introduce new products or some such dynamic, without a subsequent price "increase" back to the regular selling price. This strategy, marketers hope, prevents the ill will that can be generated by the perception of prices rising — after all, the shelf price remains the same.

Since when is it our government's role to force manufacturers to change their prices according to bureaucratic whim? Perhaps since the glory days of statism in the earlier part of this century, apparently. New York State's action comes close to economic fascism: the government control of privately owned industry. Still, the precise form that this fascism has taken is novel. The *Buffalo News* claimed that the settlement was the "largest cash pay-out to consumers ever in New York state" and "the first of its kind in the country."

Numerous questions come to mind:

Does this action set a legal precedent requiring businesses operating in New York state to offer coupons?

If so, what products must be offered?

What percentage off?

Who will administer the program — another new regulatory agency?

The media did not ask these questions. Instead, they trivialized the story as a "coupon conspiracy," cute alliteration and all. But the plain fact of the matter is that millions of real dollars were extorted from real, law-abiding, job-providing citizens.

No doubt when other government agencies see how easily this set-up went, we will hear of more lawsuits being filed along with simultaneous offers to settle. It sounds like an offer you can't refuse. —*guest reflection by* John D. Swanson

The Baby Commissars of AOL — For a brief period of time, like ten million others, I was a subscriber to America Online, "America's Number One Internet Provider." I chatted in its chat rooms, posted messages on its message boards, and made new friends and enemies. Then the AOL KGB sniffed me out. They charged me thrice with violating AOL's terms of service (TOS) rules, and I was permanently and with no hope of reprieve TOSed from the happy land of OJ indignation and Bubba jokes.

When you sign up for AOL, you are encouraged to review its terms of service. Having read corporate disclaimers before, I didn't bother. They all boil down to this: a company can terminate your account for (what it defines as) good reason, or for no reason; it just can't bounce you for bad reason — bad reason being, at this moment in judicial time, a refusal to serve a customer because of his race, creed, or gender. AOL had a legal right not to do business with me; however, my loathing of AOL is not based on legalities.

Of my three TOSgressions, the first was for irrelevance. I made an aside, off the topic, in a court topics bulletin board, and some woman, whom I'd previously offended by mentioning the possibility that the twelve men or women of a modern jury were statistically likely to be morons, called a block warden — *wham!*, branded. On the second occasion, I used a bad word in a chat room, a short reference to human waste to describe into what the government should be sticking its nose in its ongoing investigations of health care; a very ordinary and justifiable usage, I think — except that an AOLPU *apparatchik* appeared from nowhere, and Busted! My fatal, third crime was, helpfully, to explain to a man that the concept of "oneness" (which was obviously of considerable, if bogus, comfort to him) was technically a form of psycho-

sis, and could I recommend a therapist? — at which helpful overture, he turned me in for "harassment," the no-no of no-nos. The AOLians deleted me like a virus.

I didn't go quietly. Instead, I suffered (and suffered through) no less than five telephone conversations with AOL's customer service representatives and managers, the baby commissars of AOL. They all went by *noms du dealing with the public* (party names). Curiously, every pseudonym started with a "J." Three of them were "Jesse." The common theme of the baby J's was the tone of youthful morality. I was being "distruptive." I was harassing. Didn't I realize that the Right must be maintained? And Peace? And, like, Goodness? In one conversation (I tried to vary the direction of my counterattack from "J" to "J"), I explained to a rep (or rather to dead air; if you depart from the script they stop listening — but at least they do not, take note, hang up until you succumb to the cruel temptation to say "asshole") how hypocritical it was for anyone from AOL to discuss morality.

Case: The several recent newspaper articles about the employment of AOL by pedophiles to solicit child pornography.

Case: AOL's history as a government informer on homosexuals in the military (the other Tim McVeigh).

Case: AOL's tolerance of some anatomical words (e.g. "penis") and intolerance of others of equal pejorative weight ("vagina").

"Rules," the rep responded, "were rules."

One thing I learned was that I might have found clemency and my account restored if I hadn't pissed off the Jessica who last bounced me. It was she who had specified the merciless charge of "harassment" instead of, say, the lesser indictment of "a negativistic attitude." Once again, it was my sensitive and empathetic nature what done me in. I merely commiserated with the woman that having gone to college and majoring, as she must have done, in Power Lust, it was too sad that she should have found herself not a dread Kollentai of the republic, or at least a Bela, but instead a dung beetle.

The baby commissars were correct, of course, in thinking that the issue is morality; but since they are modern children they are incapable of doing the moral arithmetic.

Certainly, governments are the principal evil, and not a nasty, little internet access provider; but the lesser tyrannies of a private organization (or, more accurately, a semi-private organization, since no institution circa the era of collaborative extortion is purely private) amount to more than just an inconvenience.

I hate censors, private or public. I hate cops. I hate the village mentality. ("It takes a village" to exacerbate my natural misanthropy.) I hate the wretches who at that first, familiar rictus of confusion, or when they sense, like a disturbance in "the force," an opposition to the consensus that they call their ideas, summon Big Bro or Sis.

Allow me to instruct them in the obscure morality of my rage. *Mind your own damn business, you hypocritical morons!*

There now, I feel better. Much, much better.

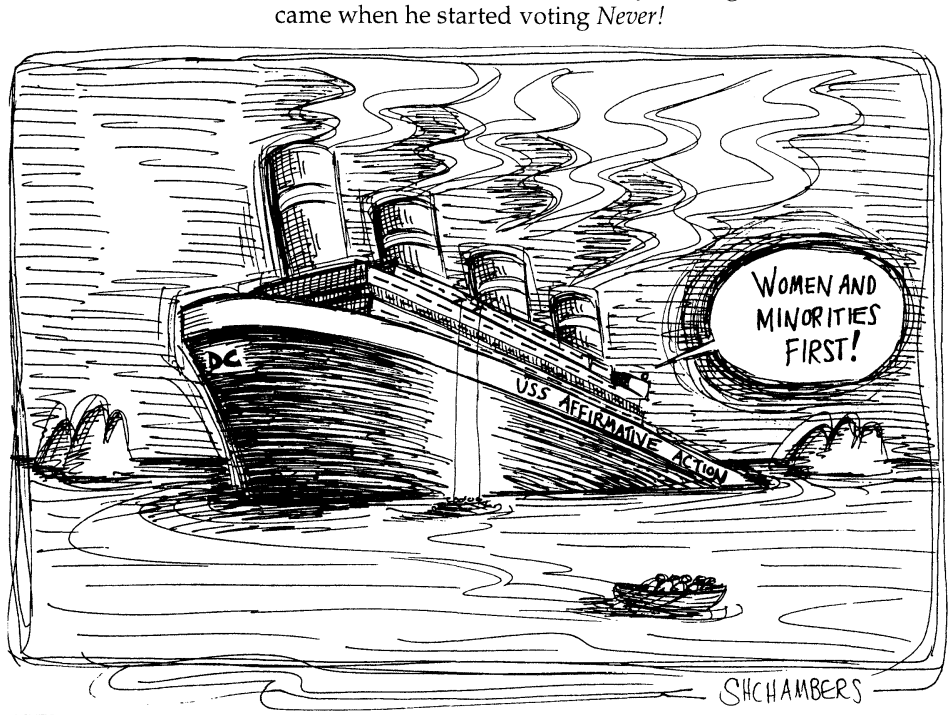
Does anybody out there know of a good internet access provider? I'd like to have some lively conversations (a friendly guy like me). —*guest reflection by* Jeffrey S. Taitz

Russian lessons — In a recent installment of the wrangling between Boris Yeltsin and his opponents in the legislature, Yeltsin pulled Anatoly Chubais from political purgatory and appointed him to the powerful post of chief executive of RAO Unified Energy Systems, which controls most of Russia's electricity supply and occupies a strategic position in the industrial and municipal credit system. Denouncing the appointment, a Communist Party official, Valentin Kuptsov, was quoted by *The Wall Street Journal* as saying, "This is another confirmation of Boris Yeltsin's authoritarian regime."

Authoritarian! Wouldn't want any of that, would we?

Today's letter is B. B is for Brezhnev. Can you say Brezhnev, boys and girls? Tomorrow's letter is S. S is for Stalin. —RH

A Republican only a libertarian can love — Fellow readers of *Liberty* have probably been as thrilled as I have by the way those wild Republican revolutionaries in Congress keep up their slash-and-burn assault on the federal Leviathan. I mean, talk about Petrograd, 1917! Actually, of course, Lott, Gingrich, Armey, and most of their troops resemble the leader they adore, Ronald Reagan. Like Reagan, they mouth free-market and anti-government phrases to con the suckers, but they love to compromise. The end-result is to stabilize the status quo, and even expand the power of the national state. How I wish they'd take after the Old Right stalwart of my youth, the great H. R. Gross (R-Ia.). Magnificent curmudgeon that he was, Gross was famous for always voting *No*, until the time came when he started voting *Never!*



There is a member of the current Congress who also disdains compromise, and who through his quiet, luminous integrity has at least begun to make a bit of a difference — Ron Paul (R-Tex). The whole Republican "leadership" (yeah, right) tried to kill Ron off in the primary last time. Dick Armey even donated thousands of dollars of his own money to the effort. But that didn't work, and Ron went on to win the election against a Democrat whose nickname was "Lefty" (not a good idea in Texas). This time, though, the Democrats, who can abide Ron's constant, nagging invocation of the Constitution even less than the Republicans, have put up a candidate who masquerades as a conservative. Money is coming in from both coasts to get Ron out of the way once and for all. This is going to be a very close one.

On foreign as on domestic policy, Ron Paul is the best member of Congress in my lifetime. The crooks of both parties want to do him in. I believe he deserves every libertarian's support. —RR

Jerry's coattails — Since nothing else has managed to get the Libertarian Party over the recognition hump, might it finally manage to galvanize the masses with the slogan *"Free the Seinfeld Four!"*? —LEL

Long odds — From time to time someone suggests that government could be financed by lotteries, eliminating the need for taxes. It sounds like a wonderful idea. After all, buying a lottery ticket is a voluntary act, unlike paying compulsory taxes. Unfortunately, it is economically impossible for a lottery to finance government — a libertarian government, anyway.

According to the *1997 Statistical Abstract*, the average state lottery in 1995 paid out 58 percent of its proceeds in prizes. After covering administrative costs (4 percent), 38 percent of the ticket sales were available to finance government programs, such as education. So a lottery would seem to be particularly well-suited to finance government on a voluntary basis.

But what's wrong with this picture?

Las Vegas casinos operate with *gross* profits of only 1 percent to 4 percent (meaning 96 percent to 99 percent of the proceeds are paid out in winnings). Why don't the casinos have 38 percent profit margins like the government does?

Because Las Vegas casinos face competition, while government lotteries do not. State lotteries are state-mandated monopolies.

If government operated the only print shop or restaurant or car dealership, the profit margin could be as juicy as for government lotteries. In fact, some people would come to accept the government's monopoly terms as being the norm — just as they thought the post office was providing the best possible service until competition from Federal Express showed otherwise.

Competition always reveals government to be inefficient, overly expensive, or even fraudulent. If private lotteries could compete with the government, the profit margin would shrink rapidly to less than 5 percent, and it would quickly become apparent that lotteries are no more a natural cash cow than any other business.

Facing competition, no enterprise can generate enough profit to subsidize even the smallest government. If we think a libertarian government could be financed with a lottery, it's because we're unwittingly superimposing the coercion of today's lottery monopolies into a free environment. It's an understandable mistake, but a mistake nonetheless.

I don't know how the functions of protection, defense, and the judiciary would be financed in a completely free society. And frankly, I don't care right now. We're so far from such a society that there are much more important questions at hand. The immediate task is to reduce the monstrosity known as the U.S. government to a fraction of its present size and reduce the tax burden accordingly.

Once government is much, much smaller, it may become profitable for the best minds in society to innovate ways to compete with the remaining functions of government — providing neighborhood security, new methods of education, more efficient arbitration systems, maybe even guaranteed protection from foreign enemies. Those minds, probably using technology we can't imagine today, will propose solutions that would be far more practical than anything you or I might think of now. In the same way, in 1975 no one could foresee how computers would operate in 1998.

Libertarians don't need to have answers today to all questions concerning a free society. Our immediate task is merely to show voters how they personally would benefit from making government substantially smaller than it is now. It's relatively easy to show someone how much better off he'd be if he didn't have to pay income tax, or how nice it would be to be free of the Social Security con, or how pleasant and safe his neighborhood could be if we ended the nightmare of Prohibition. That's where our attention is needed now. —HB

Ron Merrill, RIP — Mr. Ronald Merrill was a "radical among radicals," whose *Ideas of Ayn Rand* contributed to our understanding of that important libertarian philosopher and novelist. Rand's Henry Rearden was a scientist and an entrepreneur and her John Galt a scientist and an intellectual. But not even Rand could have invented Ron Merrill, who was all three — and a humorist and writer of poems and stories besides, as well as the husband of a multicompetent woman, a father of two brilliant and fearless children, and "First Gup" in Tae Kwon Do.

Ron came to MIT after entering a local university in Oregon at 15, completing a four-year course in history and anthropology in two years, and then deciding that he wanted a challenge. He found it at MIT in chiral organometallic chemical synthesis, the field of his fame and the intellectual love of his life. He founded Reaction Design Inc. and ran it for several years. Although this was his only entrepreneurial experience — he once said that launching a new venture in chemistry, in today's regulatory environment, was like a venture in breeding black cats at the height of the Salem witchhunt — he did co-author two books on the art of enterprise, and co-founded the Caltech-MIT Enterprise Forum, in which he remained active even after illness severely limited his available time. For Ron, being generous with his experience and judgment as the most practical way to improve the world for his children.

Five and a half years ago, Ron was diagnosed with myeloma, and told he had less than two years to live. He died on May 7. —Adam Reed

Dear Mr. President

by Paul Rako

"You and your friends might want to get PO Boxes too. It's a biker thing, since it makes it harder for the cops to serve warrants."

Dear Mr. President:

I can't tell you how excited I was to receive your letter. It was Sunday, October 26 when I got it. I was cruising around Silicon Valley on one of my Harleys and I figured — what the heck — it's a beautiful day, let's putt over to the Post Office and check the PO Box. You and your friends might want to get PO Boxes too. It's a biker thing, since it makes it harder for the cops to serve warrants. This could be real handy to you from what I'm reading in the papers.

Anyway, I go to the PO Box and your letter was in it. I remember looking at it and seeing my hand tremble in anticipation. I think it was anticipation, but it could have been from getting hammered and dancing with my Samoan pals down at the lounge the night before. I figured right then and there: "This is too big a deal, this is too damned important to check out in the post office, I gotta go share this with my buddies." So I slip the letter into the tiny saddlebag I sport on my '62 and head over to the bar. I cruise by the bar and see there are no bikes parked outside. Hmmm, must be something happenin at somebody's house. So I jam over to Nigel and June's.

Sure enough, there are a bunch of my friends over there and hanging out in the garage, where we all kinda pitched in and put a pool table in and built a bar and put lots of neat stuff on the wall. There was Preacher, who bought his '69 Harley brand new with the hardship pay he got in Vietnam as a Marine. Wham was there too. He also was a Marine in Vietnam. They don't talk much about Vietnam. Jersey Darrin was there. Darrin was still a little down since he loaned his car to Shovelhead Bill and then Bill goes and gets it impounded by the cops. Of course, Nigel and June were there along with little Chad and Melissa. Nigel was really pissed at Jersey Darrin cause when he had Darrin babysit Wednesday night Nigel came back to find the bar a total disaster area and the kids said "Uncle Darrin told us not to bother him." This is kind of a sensitive issue since Chad burned the house to the ground two years ago playing with matches in the hall closet. Nigel sentenced Darrin to 20 minutes of exile from the garage. Darrin was laughing until I pointed out the twenty minutes would be the last twenty minutes of the deciding game of the World Series that was going to start pretty soon. Darrin stopped laughing.

So anyway, the Raiders were playing the Seahawks and we was playing pool and downing cold ones and everybody was laughing and having a good time and no disrespect, Mr. President, but I just plum forgot about the letter. Your letter. To me. So the Raiders get clobbered and Darrin is even more down cause in addition to having his car impounded and facing missing the end of the World Series, he had the Raiders down in the pool and with no spread to boot. Who woulda thought, 500 yards in the air, eh Bill?

Well, we was all sittin there gettin amped up for the World Series game and I finally remembered the letter. So I ran out to the bike and got the letter and run back into the garage. I sit down at the bar we built and yell out: "Hey everybody, look at this! I just got a letter from the President of the United States!" Well, Preacher kinda looks over his shoulder at me with that smile only Preacher can smile and says: "You might not want to open that thing." And Wham chimes in "Yeah, he's all for the draft now that he doesn't have to fight, the pussy."

Well I told Wham that he was way outta line and he should have some respect for the President of the United States and Wham says he will when the President has some respect for him. And I just didn't know what to say cause when Wham gets a few beers in him there ain't

no arguing with him, just ask FM about that. So then I say: "You wait and see, I bet the President needs my advice on some important matter of State."

So I open up the letter and sure enough, it's got my name typewritten right on top with printin the same as the rest of the letter so I knew you banged it out personally like this one I'm writing to you. You must be a good typist because I'm spending hours typing this and you musta sent out thousands of letters cause it says you sent the letter to all the registered Democrats. Now Bill, I read all that stuff about vision and the horrors of the right wing agenda that troubles me too — but did it ever occur to you that now might not be the time to be hittin people up for cash? I mean, the heat's kinda on regarding this subject and you might just want to lay low for a while. Sorta like when you proposed a value added tax on April 15th. Who the hell are your advisors anyway? I figure you got it pretty tough with so many of your pals in jail and that Morris guy on the QT after they caught him banging that hooker.

So I wanna tell you this Mr. President: If you want some good advice from someone who's been around the block a couple a times, I'm your man. I've seen how certain ethnic groups in Cleveland and Detroit organize their business and have had a little contact with certain, how you say, motorcyclist groups here in Oakland and I think your outfit could stand to learn a thing or two from some true professionals. So anyway, all I'm sayin is that maybe now ain't the time to go high profile on the send the cash program. Well, I see all this and I get kinda down cause I realize that all you want is some cash instead of my advice on an important matter of State, not to mention that you're gettin such bad advice from everybody but I want to do my part to help your vision so I look up at all my pals who got real funny looks on their faces watching me read the letter. Your letter. To me.

So I say: "Preacher, the President needs some cash. You laid it all on the line in Vietnam, how bout kickin down a few Jacksons for good ol' Bill?" And Preacher says : "Sorry man, I'm a little short right now." And you know it's true cause Preacher got a house on a GI loan but a thousand a month ain't pocket change and Preach lost his job as foreman when they cut the night shift and now can't even get 40 hours a week doing equipment installations at the place where Darrin got him a job and Preacher's brother Bill is finally paying some rent for his room after being out of work for so long but Mike ain't covering his share and Preacher is letting him slide since Mike just had this really ugly divorce and he got no job and it took all his savings to get visitation rights for his cute little girl who comes over on weekends and eats all Preacher's food but Preacher don't say a thing, cause there ain't a Marine in the world that can stand to see a four year old go hungry. So anyway, I guess you shouldn't count on any cash from Preacher for a while.

So then I look at Wham and he's just standin there by the pizza boxes swayin back and forth and muttering: "That pussy, that pussy, that pussy." Take it from me, when Wham gets like that it's best to just steer clear of him and not make any sudden moves. So I back away and look at Nigel and June and Nigel smiles and says: "Don't look at me, I'm from New Zealand and if this country gets any more screwed up I'm going back." Well the kids have split and all that's left is Darrin. I try to soften him up by saying how I was just joking about the 20 minutes during the World Series thing but I shoulda mentioned that Darrin is from Newark where the fix is *always* in and he looks at me with that smile that only Darrin can do and he says: "You gotta be kiddin man." So that was the end of that.

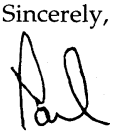
Well, I'm really down now cause I don't want the country taken over by a bunch a right-wingers who think that all our problems would be solved if only we all went to the same church and if they made Chad and Melissa pray in school every day. I would send some cash myself but the fact of the matter is that I just dropped $4,500 on a bunch of old Sportster parts so I'm pretty tapped out. Pretty soon the World Series started and I got pretty engrossed since I was born and raised in Cleveland and the Marlins are just a big dollar corporate expansion deal and not no kinda team anyway and you gotta love that Williams guy and since I don't have a TV of my own I get pretty into the game which was a real hum-dinger if you didn't have time to catch it what with all your important matters of State and fundraising and everything.

I guess it was about the fourth inning, maybe the top of the fifth when I finally get an idea how we can help the American Vision even though we ain't got no cash. See, like I told you, I just dropped four long on a bunch of Harley parts. So I got stuff coming out of my ears, although a lot of it is tore up pretty bad. Still, I figure that Harley parts are as good as gold, even better since there ain't no Alan Greenspan giving speeches about Harley parts and jackin the value all over the place. Nope, them Harley parts are good as gold, just ask anybody. That's why I'm taking the return envelope you sent and taping it to a set of Harley flywheels.

I'm sure the post office will handle it real careful since it's Harley parts and when they see it's addressed to the Democratic Senatorial Campaign Committee with "ATTN: President Clinton" on the envelope they'll handle it extra-special careful although I would have your motor man check the end-play cause sometimes the tapers get wore out and when you torque up the wrist-pin it seizes the con rods and the motor will go about five miles before it grenades and who woulda thought a 40 pound chunk of steel could wear out, but keepin a Harley on the road teaches you a lot of things which is why I'm ready to be your advisor and stuff. We all talked it over and we all agree a set of wheels is worth 50 bucks easy so I'm looking forward to receiving the commemorative DSCC lapel pin you promise to send if the contribution is over 50 bucks.

Remember Mr. President, we are all behind you so there's no need to look back. We got you covered. I for one will never forget what you've done for this country. And be sure to check that end-play.

Sincerely,



Paul Rako
U.S. Citizen

P.S: May I call you Bill? I would like to fancy that someday, I too can be a "Friend of Bill's."

The Whys of Y2K

by Scott Olmsted

If you think your computer is feisty and arrogant now, wait until January 1, 2000.

Imagine the scene: you awaken on January 1, 2000, to find the house cold because the power has gone off. You won't be watching New Year's Bowl games, but you weren't planning to anyway. They were cancelled when the Nuclear Regulatory Commission ordered all nuclear power plants to shut down on December 31, 1999. The rolling blackouts start today.

You turn on your battery-powered radio to hear that the local sewage plant has just released its entire contents untreated into the river and traffic lights are on the blink throughout the city. More ominously, troops have been called out to enforce a dusk-to-dawn curfew and the president has declared a state of emergency.

Monday, January 3 turns out no better. A former co-worker calls to tell you that some of the high-tech medical machines at the hospital have stopped working. It would have meant extra work for you, but you were laid off from your management job there in November after Medicare stopped paying out benefits when fiscal year 2000 began in October.

At your wife's importing business she discovers there is no international phone service, not that it matters much. The entire economy was knocked on its ear in the fall by the Great Meltdown of 1999, as worry about the banks caused many depositors to try to get their money in cash. You sold your stocks early in the accompanying stock market crash, but you weren't able get cash before a $50 per day withdrawal limit was imposed by the government. You call the bank to see if anything has changed, but get a busy signal. It will last for months.

This may sound like a Hollywood disaster movie. But it may well be a reality if the "Y2K" problem — the Year 2000 Problem arising from the use of two digits to represent the year in computer programs — strikes as hard as some experts are predicting. (It may also be a movie; Warner Bros. has optioned a "Y2K" script.)

As almost everyone knows by now, the problem arises because programmers have for decades used two digits to describe the year rather than four; e.g. "54" rather than "1954." Because the logic in billions of lines of software "code" uses two digits rather than four, it will fail when presented with a year designated "00," shutting down the program or giving erroneous results. Because some software looks ahead in time, for example to the end of a project or at a credit card expiration date, failures are already occurring and will accelerate in 1999. The computerized systems that handle the records of millions of depositors, investors, consumers, businesses, and beneficiaries of transfer payments, both private and government, are at risk.

Imagine that your PC is orders of magnitude larger than it is. It has hundreds of times more code, written in several languages, some of them as dead as Cretan or Anasazi. There is an error throughout your code, and you have to fix it by reading each line of code and correcting the error wherever it appears. Then you have to comb out the problems caused by the corrections you made in the first pass. If you don't find this error by your deadline, your computer will take sick. And if it takes sick it will crash all the other computers it is connected to. Worse, the operators of the other computers have the same problem, and if they fail to save their own systems, their faulty data could take out your PC as well. You have until midnight, Dec. 31, 1999. Good luck.

That, reduced to its essence, is Y2K. But at stake isn't merely the data in a few networked PCs, but records of millions of depositors, investors, consumers, businesses and beneficiaries of transfer payments, both private and government.

Former PC programmer Harry Browne has argued (Reflections, *Liberty*, November and May) that Y2K is really no problem at all. Browne believes that reporters are accepting the claims of doomsayers and computer consultants that the computer programs of banks, airlines, and water companies are too old, obsolete, and complicated to be fixed. The problem with these claims, Browne argues, is that programs are repaired all the time. Nor does Browne believe that major

corporations are dragging their feet on updating their programs: they don't want to be driven out of business by a computer bug, so they will handle their Y2K problems with the many new tools being supplied by the market.

Unfortunately, he is dead wrong.

What Browne does not realize is that programs running on mainframe computers ("big iron," as the programmers say) and mid-size systems are very different beasts from small PC programs written by a single programmer. A system written by dozens of programmers and modified by hundreds of others over a period of decades may consist of thousands of programs containing tens of millions of lines of code acting upon dozens of databases containing hundreds of millions of records. When creating and repairing such systems the main problem becomes managing the effort, not doing the actual programming. It's not that the programs are old, or obsolete, or even that they are complicated. It's that changing one thing can break other things that must be fixed by other people. Fixing Y2K means making many changes throughout the entire system that must be carefully coordinated and extensively tested. What is true of PCs is not true of mid-size systems, let alone of big iron. Harry Browne's experience writing Word macros and developing a word processor has little relevance here.

Is it just those with some vested interest in Y2K who are crying "Wolf!"? It may have been a couple years ago, but no longer. Consider a few other sources:

- Senator Daniel Moynihan wrote President Clinton on July 31, 1996 warning of Y2K and asking him to appoint an aide on the matter (Clinton took a year and a half to do so).
- Prof. Leon Kappelman, Co-Chair, Society for Information Management Year 2000 Working Group and Associate Professor, Business Computer Information Systems, University of North Texas, wrote an open letter to President Clinton in February. He asked Clinton to declare a state of emergency because of Y2K, "based on the enormous risks posed by this problem and on the miniscule probability that we will be able to effectively mitigate all the risks in the time remaining."
- Rep. Stephen Horn (R-Calif.), who as chairman of the House Subcommittee on Government Management, Information and Technology has been following how agencies are managing the Year 2000 problem, recently gave the federal government a D-minus for its effort so far on Y2K. And Sen. Bob Bennett (R-Utah) said in May that even the Central Intelligence Agency is warning that the problem could bring global "disruption of power grids, telecommunications and banking services." Bennett is chairman of the Senate Select Committee on the Year 2000 Technology Problem, which has stated that resulting crashes and malfunctions could bring "major capital markets to a complete halt," not to mention possible "breakdowns in international air traffic control, foreign oil and gas pipelines or in the global telecommunications network. There still is time, though barely so, to avert a major crisis."
- Treasury Secretary Robert Rubin recently warned a House subcommittee his department may not be able to fix its computers before the end of the millennium.
- Even Federal Reserve Chairman Alan Greenspan has admitted that "Inevitable difficulties are going to emerge," he said. "You could end up with . . . a very large problem." Ironically, Greenspan was a programmer in the 1960s and helped create the problem! "It never entered our minds that those programs would have lasted more than a few years," he said.

So how is the effort coming? A February survey by Cap Gemini, a large computer services company, found that in Britain one in six organizations, representing nearly 40 percent of Britain's gross national product, will fail to meet the year 2000 deadline. A poll last October of the Fortune 500 indicated that only 16 percent had begun implementing a full-fledged strategy to achieve Year 2000 compliance and only 24 percent had a detailed plan in place. In November the Gartner Group, another large computer services company, reported that, worldwide, only 35 percent of organizations undertaking Y2K programs have passed the stage of planning and 40 percent had not passed the awareness phase. The federal government has already admitted that a third of its "mission critical" systems will not be ready, and several federal departments are projected to complete repairs after 2010! Most states are in a similar position, as are most county governments.

And while businesses are doing somewhat better than governments, Jim Seymour, columnist for *PC Magazine* says, "I'm not a Y2K specialist, but I find that many, many firms, including some surprisingly large ones, have continued to drag their feet on fixing Y2K-related computing infrastructure problems and now won't possibly be ready to avoid disastrous problems come that cold January morning." The problem has come down to a lack of time and resources. Most organizations have waited until 1998 to begin their repair projects. Not only are we short 500,000 to 700,000

It's not that the programs are old, or obsolete, or even that they are complicated. It's that changing one thing can break other things that must be fixed by other people.

COBOL programmers, senior programmer Ed Yourdon explains in *Time Bomb 2000*, but only about 15–20 percent of software projects are finished on time and 25 percent are cancelled before completion. For large projects (those over one million lines of code) the odds are worse: 24 percent are late, and 48 percent are cancelled. According to software expert Capers Jones, projects with about one million lines of code finish an average of 13.8 months behind schedule, and projects with about ten million lines of code finish an average of 25.8 months behind schedule. Apply this to Bank of America, which has 1,000 programmers fixing 250 million lines of code. As of late January after more than two years effort, they reported they had completed a third of their work, but that they would make it! Maybe they will, but what about all the organizations that have not yet started fixing code?

So, as Browne claims, will the market come to the rescue with a barrage of new products? It is true that hundreds of

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Why the Great Depression Lasted So Long • Are you tired of hearing people discourse on how Roosevelt and big government "saved us" from the Depression? Now you can hear brilliant economist **Robert Higgs** debunk this key myth of American statism. Not to be missed! (audio: A213; video: V213)

The Nazification of the Money Supply • **J. Orlin Grabbe** is the author of the standard reference on international financial markets. Here he explains how and why the government has seized control of the banking system — and how you can foil their plans and get your privacy back. (audio: A132; video: V132)

Searching for Liberty Around the World • Whether you're fed up with encroachments on your liberty, or just interested in opportunities ranging from Nicaragua (!) to Hong Kong to Zambia, this is the tape for you. Hear **Doug Casey**, *Investment Biker* author **Jim Rogers**, international journalist **Bruce Ramsey**, and travelers **Scott Reid** and **Ron Lipp** — the men who've been there. Includes a special discussion of the problems of escaping the IRS. (audio: A103; video: V103)

Searching for Liberty in Small Town America • Fed up with the impersonality, rootlessness, and intrusive regulations of the big city, **Bill Bradford**, novelist and critic **Bill Kauffman**, and life-extension scientists **Durk Pearson & Sandy Shaw** escaped to small towns across America. Hear their thoughts on the blessings and difficulties of life in small towns from Washington state to Nevada to New York. (audio: A102; video: V102)

How to Write Op-Eds • If you're puzzled as to why your opinions aren't getting published in your local paper, or just want to be able to set down your thoughts accurately and concisely, get this tape from professional journalist **Jane Shaw** on the nuts and bolts of getting your point across. (audio: A136; video: V136)

Libertarianism As If (the Other 99% of) People Mattered • **Loren Lomasky** shows how to communicate effectively with the obstinately anti-freedom population of virtually everywhere. (audio: A204; video: V204)

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

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

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

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

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

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"Y2K Fixit" products have been launched in the past year or so. But there is no way that any of them will be a "silver bullet" slaying Y2K in one shot, not even all of them together could accomplish this.

There are three reasons for this.

First, most tools address only one or a very few computer languages, yet systems have been written in hundreds of computer languages, some of which fell out of use decades ago (particularly the military's).

Second, none of the tools, most of which search code for date references, is perfect, so every line of code must be looked at by a programmer anyway.

Third, 50–70 percent of the effort is testing. Though testing tools help, the man-hours involved in running the programs and comparing the data are staggering.

A major problem is the huge amount of data exchanged among computers. So much data is exchanged between various levels of government, between government and industry, and between firms and their suppliers, that the Domino Effect takes on a new meaning: bad data will bounce among the systems, rendering their output incorrect, or, more likely, simply shutting them down. Chase Manhattan has stated that it has interfaces with 2,950 external entities. Officials of the Federal Reserve have spoken openly of shutting out banks that are not compliant to keep bad data out of that system. Ed Yardeni, chief economist at merchant bankers Deutsche Morgan Grenfell, predicts that between 5 percent and 20 percent of the small banks in the U.S. will fail because of Y2K problems. These outcomes would wreak havoc on commerce.

But we still haven't discussed two other frightening aspects of Y2K: the (non)efforts in other countries and the embedded systems. Capers Jones has offered evidence that 80 percent of all software code is outside the U.S. Europe is preoccupied with introducing its new currency in 1999, which will take a programming effort several times that required to fix Y2K. The Far East is burdened with a financial crisis and appears to be making almost no headway on Y2K. The largest banks on earth are in Japan, where 70 percent of the computer systems use customized code, as opposed to 30 percent in the U.S, making repair more difficult. The repercussions of their failure could be felt here for a generation or more.

Embedded systems are those computers contained in almost everything: microwaves, elevators, assembly lines, oil refineries and pipelines, telephone exchanges, satellites, you name it. Only a small portion of these systems use dates susceptible to the Y2K problem. But there are so many of them — about 25 billion in all — that some experts fear major interruptions of electric power, oil, chemicals, refined fuel, and other items central to the economy.

So just how bad might the result be? Let's ask the programmers themselves. On an Internet newsgroup devoted to Year 2000 discussion among mostly mainframe programmers, an informal survey was taken in March, asking respondents to forecast Y2K on a 1 to 5 scale: 1 = "it ain't gonna happen," 3 = "a bump in the road, 80-hour weeks for all [programmers] in 1999–2001," 5 = "possible collapse of economy, start hoarding now." The average response from 82 programmers with average experience of 19.65 years was 4.18, up from 4.09 late last year, and 3.96 in mid-1997.

What they are saying is that everything about your life is at risk here: your financial assets, your job, and perhaps essentials like power and food if the disruptions are severe enough. The complex market economy, a blessing in ordinary times, has never been hit with a simultaneous strike by millions of electronic servants. Yourdon's book urges you to think through how you would prepare for disruptions of various lengths. For instance, do you have enough food, water and medicine to last one month? Do you even know how much you normally use in that time?

And if actual Y2K problems don't get us, panic about it could. We all live at the end of a long chain of ships, airplanes, trains, and 18-wheelers that bring virtually everything to us. Normally, supermarket shelves need restocking every 72 hours. Hurricane and blizzard forecasts often bring the masses into the stores where they clean the shelves of food and supplies. When they realize that every system they depend on may fail because the problem has not and cannot be fixed, those panic buying sprees could be multiplied many times over. If the welfare checks stop arriving, the cities could erupt. Riots have been caused by less. What will happen in the stock and bond markets if investors try to exit en masse due to fear and uncertainty? As the *Chicago Daily Herald* observed on Dec. 10, 1997, "People suddenly becoming aware and pulling their money from banks and selling their stocks could trigger economic chaos and possibly a depression to match 1929."

Can we turn this into a new era of non-reliance on big government? Or will Clinton use this crisis as an excuse to tighten his control?

Only a few people are thinking about what life may be like after the fallout from Y2K settles. But libertarians should not miss the tremendous opportunity here. Government may soon break many of its promises, leading to severe discontent. The welfare state may be about to crumble. Can we turn this into a new era of non-reliance on big government? Or will Clinton use this crisis as an excuse to tighten his control, declaring a long-lasting state of emergency?

Is Y2K somehow a failure of the market? Yes, I think so. The market is self-correcting, not all-seeing. Those businesses that delayed fixing the problem will suffer losses that the few who acted earlier will mostly avoid. For whatever reason — focus on short-term profits, hope that a "silver bullet" would be found, or sheer ignorance — the procrastinating companies will find themselves short of time and resources. Similarly, those individuals who act early will avoid losses likely to be suffered by most people as a consequence of Y2K.

There have always been forecasts of impending doom, and those who deliver them again and again are rightly treated with skepticism. But this happens to be a well-documented problem, the first global disaster to unfold right on schedule. Harry Browne seems to have allowed his confidence in free markets to blind him to the facts about Y2K and he asks you to stick your head in the sand with him. Ignore the Y2K problem at your own peril. ❑

After the Revolution

by Ronald F. Lipp

There's more to a revolution than throwing the bums out. Consider, for example, the case of Czechoslovakia's "Velvet Revolution."

On May Day, the U.S. Senate voted to proceed with opening NATO to the Czech Republic and two other former Soviet satellites, Poland and Hungary. The vote was 80–19, reflecting the success of special interest groups in the face of public indifference. It now appears inevitable that NATO will be expanded. The proposal is arguably the most far-reaching foreign policy initiative by an American administration since the end of the cold war, potentially redrawing the strategic map of Europe and altering in unforeseeable ways NATO's and the United States' relations with our historic adversary and principal nuclear rival, Russia. It is important in its own right, as the first absorption of our former Warsaw Pact opponents into the alliance, and as the stalking horse for at least six more Eastern European nations that wait impatiently in the queue for their turn. So, what are our new allies like, and how reliable will they be?

The questions can only be addressed after one agrees on what the function of NATO *is*.

NATO was created as a defensive bulwark against the spread of aggressive Soviet Communism, an element of a system of containment. But it has been well understood by its constituents to be much more; today it is generally regarded as the champion of the Western political ideal of liberal democratic societies: democratic political norms embodied in a constitutional system, the rule of law, protection of individual liberty, property rights, and at least the essentials of a free market economy. To be sure, NATO's members have not always practiced these values — Salazar's Portugal and the Greece and Turkey of the military juntas are notable examples of reality at odds with the ideal. But Cold War exigencies no longer serve as a protective cover for such failings. Even the Clinton administration has been quite clear that the new candidates must demonstrate that their societies are committed to democratic values.

NATO is committed to the protection of all by all in a concert of general accord. While a threat to one automatically triggers obligations in the others, NATO's policies are formulated by strict consensus, unanimity among peers. Every member must approve the new candidates. Every member must approve any new policy. And there is no provision for expulsion of a member whose politics turn totalitarian or chauvinistic. The admission of three new members of doubtful credentials at a time of internal turmoil and drift within NATO threatens its cohesion. If, to these are added the six waiting in the wings, NATO's present 16 long-time allies will become an alliance of 25 and the composition and values of the alliance may be altered beyond repair.

The fact is that the Czech Republic, Poland and Hungary, although commonly and not incorrectly bruited as the most Western and evolved of the former Warsaw Pact and Soviet Bloc countries, are not liberal democracies. They have not embraced the West and its values, and are not likely to do so in the foreseeable future. To be sure, all three have adopted superficial forms of democratic electoral process and constitutions which emulate a Western model. All have partially reformed their legal systems, provide a degree of protection of human rights, and have adopted private forms of property ownership into which most businesses have been at least nominally converted. And each has some historical nexus with Western social and philosophical traditions. Yet none has truly embraced the norms of liberal democracies or shrugged off the cynicism and moral corruption at the root of late Communist societies. Despite the superficial appearances of a community of values between us and them, a chasm remains. At least another generation will be required to bridge it; and, truth is, it may never be spanned.

The problem may be most vividly illuminated by the case of the Czech Republic. It is the most Western of the old

Warsaw Pact countries, both geographically and culturally, all the more so after its Velvet Divorce from its Slovak cousin. Its famous Velvet Revolution was the most humane of the transformations from Communism; the leader of the revolution and now President of the country, Vaclav Havel, is universally recognized as a beacon of the humanitarian, moral spirit which we hope lies at the base of Western culture. The Czechs have avoided the political backsliding to neo-Communism and authoritarianism that has plagued the other former Warsaw Pact countries and have conducted their economic transformation without the shock therapy, hyperinflation, or sharp economic decline which have been characteristic elsewhere. All of this represents a major transformation of Czech society during the past nine years. And the Czechs — like the other two candidate nations — may be justly proud of their achievements and deserve our encouragement. But for all that has occurred, the Czechs, like Poland and Hungary, fundamentally fail the test for admission to NATO.

Hardly had they gained access to cross the newly-opened borders to the West than the Czechs became notorious for stealing anything at hand.

Public life in Communist Czechoslovakia was typified by two well-known expressions: "They pretend to pay us, we pretend to work" and "He who does not steal from the state, steals from his family." Although now clichéd into banality, these sayings expressed a deep truth. Public life was a charade and a fraud. An intelligent person was moved to do as little as he might to acquire as much as he could by whatever means he might safely employ. Those who got rich were certainly regarded as crooks or *apparatchiks* (often a subtle distinction). A prudent person aimed to keep his affairs to himself and stay out of the limelight. Loyalty was due himself, his family, and a few close friends; perhaps as well his nation in some abstract sense of ethnic identity, but certainly not to the state, the society, or the "structures" which ruled him. He should enjoy the children and the cottage in the country and retire at the earliest possible age. Even government and party circles, which once had included many idealists committed to the creation of a better society, were largely populated in the later years by opportunists and other moral mediocrities dedicated to their own ease and security.

The Velvet Revolution was supposed to change all that. Its leaders included many dissident intellectuals who had railed against the moral corruption of their society and now seized the chance to create something better; they thought, far better. They said "we are not like them," referring to the bosses of the old structure. What they meant was that the new order would found its moral credentials on the decency of the transformation. The revolution would bring not terror, but decency and forgiveness. Vaclav Havel spoke of the opportunity for a small country to show the world by example what a humane and morally uplifted society might be. His vision echoed that of Thomas Masaryk, the revered patriot whose efforts led to the creation of the First Czechoslovak Republic, of which he became President, in 1918. Masaryk thought that the unique calling of the Czechs as part of God's plan was to provide a lustrous exemplar of enlightenment to the world. In 1989, as in 1918, the Czech's self-proclaimed creed was "living in truth."

The transformation of the Czechs from cynical victims to enlightened patriots was troubled from the beginning. Hardly had they gained access to cross the newly-opened borders to the West than the Czechs became notorious for stealing anything at hand. Some of them explained that they were entitled, offering an ironic twist on the old Marxist admonition: "To each as he had suffered, from each as he had lived well." And paranoia flowered: rumor had it that the revolution had actually been engineered by the Germans as a way to take over the country; proof lay in the fact that Havel's first official visit as President was to Germany, no doubt to pay obeisance to his masters. Another widespread theory was that the revolution was the work of Czech Communist bosses; seeing that the old order was passing, they initiated a hidden coup so that they could transform themselves into bosses of capitalism. A few months after the revolution, a highly educated engineering professor in Prague advanced both theories to me; he saw no contradiction in believing both to be true.

For all this, there was real optimism and idealism about the possibilities of creating a just, decent, and prosperous society. The country was free, the people would be free, and the Czechs would "rejoin Europe." Vaclav Havel provided a charismatic personal voice which could inspire the public and whose prestige in the West gave the Czechs pride of place among the emerging Soviet Bloc nations. Shortly, Vaclav Klaus — the second Vaclav and self-proclaimed disciple of Milton Friedman — would provide the tools for creating the free markets from which the bounty would flow.

At first it appeared that the vision would become reality. Center-right parties who strongly advocated a real free market economy dominated the democratically elected government. The divorce from the Slovaks proceeded with only a moderate degree of rancor and without violence. Privatization of the state economy was enhanced by a coupon system which distributed company ownership interests broadly among the citizenry. The economy boomed as foreign investment poured in; the shocks administered in Poland and elsewhere were avoided; inflation was moderate for such a transformation, and unemployment was nil. Vaclav Havel was fêted internationally as something like the Czech answer to Mother Theresa, and Vaclav Klaus lost no opportunity to lecture audiences at home or abroad with his sage advice on the mechanisms of economic metamorphosis.

Today, however, the Velvet Revolution is spoken of, if at all, with irony or embarrassment. Its original leaders have largely vanished from the political scene. Their heirs — the Civic Democratic Party and Civic Democratic Alliance, which formed the core of the new government — are in disgrace, rocked by endless political scandals involving wholesale corruption in the sale of state companies and the looting of important parts of the economy. Prime Minister Klaus and his government were driven from office in the process but had been emasculated by popular discontent long before. Public disillusionment has extended to President Havel, who is widely regarded as an ineffective moralizer. He is so marginalized that the media sometimes don't bother to repro-

duce his speeches. The collapse of the center-right government provided a momentary shift of political sentiment to the social-democratic left, but it too has become tainted by scandal and seemingly overwhelmed by the magnitude of the problems at hand.

The news is at least as bad on the economic front. The privatization process, including the coupon program, is now seen as incompetent at best and all too often a cover for massive looting whose full extent may never be discovered. Lack of transparency and manipulation in the new stock market has frightened away foreign investment and discouraged domestic participation as well. The collapse of several Czech banks has been accompanied by revelations of cronyism among government officials and businessmen of the same kind as that which has recently devastated several East Asian countries. The Czech economy is stagnant. Last year's devaluation of the Czech crown has provided little relief; ominously the Social Democrats have suggested that if they come to power, they will implement high levels of deficit spending as a palliative. The unfinished transformation of Czech political and economic structures is deeply flawed and apparently stalled; it is not clear that any public figure has the moral stature or base of authority to revive the sense of self-confidence and optimism so desperately needed.

The temptation for Westerners is to assess the Czech dilemma by imagining how such a thing might affect their own societies. But this is not merely a question of economic stagnation (although it is now unclear whether the Czechs will ever catch the West) or of throwing the rascals out or putting a few of them in jail. If the Czechs had deeply internalized the norms of a liberal free-market democracy, they could survive shocks to the system such as these; Britain's recovery from its post-war malaise is a brilliant example of a nation that pulled through, after much hardship. But a society in the process of deciding whether to give its allegiance to those norms is at fundamental risk.

As Aviezer Tucker put it in his post mortem on the Czech crisis in the March issue of *Liberty*, "Perhaps the most damaging lasting legacy of former Czech Prime Minister Vaclav Klaus is the association in popular Czech consciousness of liberty with corruption." It would be bad enough if the problems were perceived to be the fault of libertarianism's most prominent Czech advocate. The problem is that democracy and capitalism are becoming equated in the popular mind not merely with the failings of particular personalities or parties, but with the same sort of essential corruption that existed under the old regime. Czechs once again see government posts and corporate offices as sinecures for wholesale theft.

For many Czechs, the message of pan-Slavism remains alive, not as a political agenda, but as a filter that colors the way in which they see the world.

As in the old days, the *nouveaux riches* are grafters and thugs; in fact, many of them are the same folks who were part of the old system and which the Velvet Revolution was supposed to boot out. In interviews in recent weeks, a senior government official lamented to me that many people are beginning to voice the opinion that the only difference between then and now was that at least then you knew where you stood and you never worried about losing your job or paying your bills. The advisor to one of the current, and most widely respected, leaders of the Czech Parliament said much the same thing: the public is somewhere between cynicism and despair, no one has support to do anything, and the longer nothing is done, the deeper the alienation goes.

The typical Czech response to such alienation is to turn his back on the scoundrels in the boardroom and cabinet room, to retreat into his own affairs, and to oppose any proposal which will cost him inconvenience or money. This is not the sort of polity which is prepared to take on the burdens of NATO.

Today the Velvet Revolution is spoken of, if at all, with irony or embarrassment.

To be sure, the political and business elites of the country are firmly in favor of admission. To them, the return to Europe means the security of the NATO military umbrella, and the economic benefits of access to Western European markets through admission to the European Union and to such Western clubs as the International Monetary Fund.

But the average Czech is deeply skeptical. Opinion polls and other public surveys have consistently shown that Czechs do not feel threatened by the Russians or by any other military adversary, do not favor large expenditures on military preparedness, and doubt whether any net benefit flows from NATO membership. These attitudes are reinforced by a sense of economic crisis in their own lives — many Czechs believe that they are worse off and more at risk than in prior years — and by the dismally low standing of the Czech military, which ranks near the bottom in prestige among occupations. Most polls have shown no more than a plurality of sentiment in favor of membership, often in the forty percentiles, and even this showing is of doubtful intensity.

The current proposals for NATO expansion, which form the context for popular opinion, suppose that no nuclear arms or significant numbers of foreign troops will be garrisoned in the country and that projected costs of membership and military upgrading will be quite modest. When Czechs finally face realities such as the fact that the Czech military does not possess a single advanced fighter aircraft, and the costs of admission to NATO are finally and fully realized, Czech dissatisfaction with the new alliance will almost certainly rise.

The reliability of the Czech armed forces is also very dubious. The Czech officer corps is populated by holdovers from the old regime, in part those of least ambition and talent. In addition, as a senior army officer whose duties have involved NATO interface admitted to me, it is generally understood that the officer corps still includes former agents of the KGB and others of doubtful loyalty. The prospect of ridding the service of this problem seems remote.

In the peaceful atmosphere of 1998, it is difficult for many of us to conceive a major military confrontation in Europe. But it is such an event that military alliances are made to contemplate. Imagine a Russia which has destabilized or become

more aggressively anti-Western. Imagine a crisis, perhaps over petrochemicals, perhaps another Chernobyl-like incident, or a major economic slowdown, or perhaps madness in Serbia. And imagine that the current Czech malaise has continued and Czech attitudes even hardened. Are we sure that the Czechs will be prepared to commit treasure and troops to defend some Western interest remote from their borders? Sure enough to play bet-your-life? The answers to those questions need to take into account one other aspect of Czech character. To the extent that the Czech public is skeptical about the value of the democratic and capitalistic ideals which have recently been pressed upon them, we may ask what other values might inform their decisions. The answer, as in all societies, is their own traditions and history. The Czechs look back with pride to the time one thousand years ago when they were an independent kingdom in Europe's heart. They regard their history for the last millennium as a continuing struggle against domination and oppression by the Germans, who deprived them not only of independence, but for a time their culture and even language. Their struggle and aspirations are portrayed in a series of twenty monumental canvases called the Slav Epic, created by their most celebrated painter, Alphonse Mucha, as the culmination of his life's work, and now enshrined in the little village of Moravsky Krumlov in the eastern part of the country. It is a treasure held dear by many Czechs and visited by them despite its remote location, and soon to be moved to a central location in Prague. Mucha was a humanitarian who firmly believed in the universal brotherhood of man, but also a fervent patriot who believed that each nation needed to be faithful to its own roots. The Slav Epic celebrates the unity of Slavs, their origins in the traditions of the Byzantine Church, and their age-old struggle as a peace-loving people against the violent and aggressive incursions of the Germans. It also reminds the Czechs that their true brothers are the Russians and the Serbs. For many Czechs, the message of pan-Slavism remains alive, not as a political agenda, but as a filter that colors the way in which they see the world.

Because of their proximity to Germany and Austria and centuries spent under Habsburg rule, the Czechs have absorbed Western culture to a greater degree than any of the other Soviet Bloc nations, but it has been for them the forced feeding of foreign domination. Perhaps because of this, they have always been the most ardently pan-Slavic of the Slavs. During the Napoleonic Wars, they greeted the Russian troops in transit to France as liberating brothers. During the Czech Revival of the 19th Century, they were in the forefront promoting pan-Slavism as a device by which the Slav subjects of the Habsburgs might unite to gain political liberty; some championed a larger program of a united Slavic world led by Russia as their big brother. During the First World War, a substantial element of the Czech political community conspired to achieve that end. The Czechs attained independence in 1918, in no small part through the support of the Americans, the French, and the British. That support and President Masaryk's strongly pro-Western, anti-communist attitudes, built the foundation of the strongly positive feelings toward the West, feelings that still suffuse the country. But there is ambivalence, also. As recently as 1945, the Czechs welcomed the Russians as liberators from Nazi subjugation, in sharp contrast with the bitterly remembered appeasement at Munich. And there remains today deep resentment of the Germans; many Czechs fear Germany will once again become the strong center of Europe, not tamed by the European community, but as its master.

None of this is politic to express; official Czech opinion, as well as that in the West, regards notions of Czech Slavophilism and resentment against the West as preposterous bogeymen. And there can be no doubt that the Czechs are a peaceful people; the hot blood of the Balkans does not run through their veins. But there is among the Czechs deep cynicism about the value of any ideology, whether communist or capitalist, such grave doubt about the depth of our common bond with them, and such great skepticism about the worth of putting themselves in harm's way for any cause. Since their devastating defeat by the forces of German culture and Catholicism at the Battle of White Mountain in 1620, the Czechs have characteristically chosen the course of avoidance rather than confrontation. They are, indeed our friends; they have an ancient culture from which there is much to learn, and we should encourage the continuation of their emergence from the darkness of Nazism and communism in every reasonable way. The same may be said of the Poles and the Hungarians as well. But there is good reason to doubt that any of them is yet prepared to stand with us as allies or that we should put our security in their hands. ❑

Letters, *continued from page 5*

which has been harrassed and suppressed for the last 90 or so years in this country. Myself, I am in prison for selling LSD. Of this I am neither proud nor ashamed. If the government were treating adults as people capable of deciding what is best for their own consciousness, sales of psychoactive substances to adults would not have to happen on the black market and I would have been a builder or computer nerd or importer/exporter or who knows what path my history would have taken. I do not blame anyone in particular: I did what the government said I did, and I am doing my best to finish up my 10 year sentence and come out of this without an excess of bitterness.

The government spent a million dollars tracking me down. I was hard to find because I didn't leave a trail of blood or violence, didn't anger anyone by ripping them off or cheating from them, and I probably would have never been found had not someone farther along the line fallen to the threat of a too Draconian sentence and decided to exchange my life for their own. While I may not like that, he made a decision to take care of himself and, since I am not of a criminal mindset, I understand his decision.

The U.S. Government has 60,000 incarcerated, mostly nonviolent, drug prisoners. The states have hundreds of thousands more. The president still thinks the war on drugs can be won, but how can a war against 10 or 20 or 30,000 years of human nature be won. Libertarians hold a key position in stopping this war against the American people and the people of the world.

Henry Schwan
Seagoville, Texas

Passion Play

by Barbara Branden

In 1986, Barbara Branden published The Passion of Ayn Rand, *her biography of the famous novelist and philosopher. Showtime is currently producing a television movie based on Branden's work, and the author was invited to view its filming in Toronto. While she was there, she wrote her old friend John Hospers about what it was like to see her biography transformed into a film. Besides Ayn Rand, the leading characters in the film are Rand's husband, Frank O'Connor, and her friends Nathaniel and Barbara Branden.*

Dear John,

I intended to be in Toronto for only a week during the filming of *The Passion of Ayn Rand* — but after two days on the set, I knew that no power on earth could tear me away until the shoot ended. I am having a more wonderful time than I ever dreamed possible. Howard Korder's script is excellent, and I am constantly being asked to write bits of copy — which means that I get material into the script that I had wanted in. The cast is marvelous; Helen Merrin as Ayn is superb, as I expected her to be; Eric Stoltz as Nathan and Julie Delpy as Barbara are very, very good indeed; and the total knockout is Peter Fonda as Frank. One very rarely sees a performance such as his. He doesn't act Frank; he is Frank. He has me in tears almost every time he's on camera, and Helen often does too. Peter just won a Golden Globe award; on February 10 the Oscar nominees will be announced, and it's likely that Peter will be among them — which means the press will descend. *U.S. News & World Report* has been here, interviewing the stars and moi, and *The New York Times* is expected. It looks as if there will be a lot of publicity, both by Showtime and in the press.

The other day, I rounded a corner on the way to the set — and almost fell over. On a busy corner was a very large billboard with a picture of Peter as Frank and the words: "This is John Galt! Find out who he is in Ayn Rand's Atlas Shrugged!" I lost all sense of what decade I was living in.

The director and the stars — particularly Julie — very often ask me questions about the psychology and thinking of the characters. This is delightful. I have to tell you of one event that you may have trouble getting into your head; God knows I had trouble. At the wedding of Barbara and Nathan, a woman stands behind them, with tears in her eyes; after the ceremony, Barbara turns to smile lovingly at the woman, who is her mother. She also is me. I am my own mother at my own wedding!!! I loved every minute of it. Mary Lou Gutscher, my wonderful hostess who has accepted, without a whimper, this woman who came to dinner, rushed out to get me a T-shirt that reads: A Star is Born! In future, I expect to be treated accordingly.

After the shoot one day, Mary Lou and I walked into a nearby grocery store to get a couple of things. Something seemed strange; the store looked oddly out of place. And then we discovered we were trying to buy fruit in a prop. (I must confess that on my first day on the set, I ate a prop.)

This can give you only a vague sense of how truly wonderful those five weeks were for me. When I first arrived, Helen told me that both cast and crew were terrified at what I might think and say and do — but after one day, I was involved in a love affair with all of them. Helen is as remarkable a woman as she is an actor; I can't imagine a better performance, and I can't imagine feeling greater admiration and affection for a performer. She told me from the beginning, about Ayn: "I will not let her down. I will not let her be diminished." She read my book, watched interview tapes of Ayn, read a lot of her work, and came away convinced that Ayn was a great woman, great in intellect and in passion. She kept her word: Ayn is not diminished.

I had all the cast and the members of the crew whom I really got to know sign my book about Ayn. Helen wrote that this was one of the best acting experiences of her career. She had told me that her father had been a communist, that she had been raised to be a communist, and that she'd only begun to question it fifteen or twenty years ago. So I don't know how she — or Peter or Eric or Julie or most of the crew — view Ayn's ideas. What was so special was that it didn't matter. All of them, and most particularly Helen, approached their work with an astonishing integrity.

In one of the final scenes, Helen-Ayn was to give her last talk before her death, and to be terribly aged, weary, and ill. I entered the set and saw Helen from the back at first — and what I was seeing, from the back and before the shooting of the scene began, was an aged, weary, and ill woman. You can imagine what she projected when I saw her from the front.

I normally watched the shooting from the monitor of the director, Christopher Menaul, wearing a headset. We had to get into odd places at times. One day — one late night, to be exact — Chris and I and about ten of the crew were squashed into a bathroom, which happened to be the logical place from which to shoot the scene. The brief scene was of Helen looking into a mirror, not saying a word, but speaking paragraphs with her eyes and expression. When the director called "Cut!" there was a sharp intake of breath in the bathroom and everywhere on the set: no one had breathed during the entire scene.

People in the crew, who were as remarkable as the cast, kept telling me what a joy it was for them to work on such "a quality film." I was as fascinated by what goes on behind the camera as in front of it. Within a few days I was convinced that making a film is so complicated that it can't possibly be done, never was done, and never would be done. Only they did it. And it truly is all smoke and mirrors — and lights. One day we were on a set, a beautiful house in Toronto that had the feel of Ayn's home in Tarzana. Outside, it was a dreary winter Toronto day; inside, the house was flooded with California sunshine.

What most fascinated me about the crew is the extent to which each one of them has to be a self-generator. There were about 40 of them, and their jobs were much too complex for anyone to be truly in charge; each one of them had to know his job exactly, and do it perfectly. I got to know many of them. They have remarkable lives, traveling to shoots all over the world; and they all seem madly in love with their work.

It was amazing, during those five weeks, to find myself gradually feeling as if I were part of a close family — cast and crew. We were together often sixteen hours a day or more, we ate together, we talked together, we all were involved in the same deeply meaningful project and we all had the same goal; and I realized again something I had known before: the kind of closeness and caring that is possible when people share a common value and a common goal.

When the shoot was over, especially when Helen and Peter left, I felt utterly bereft. When I got home, one of the producers called and asked if I was suffering, as she was, from post-filming depression. Definitely. It's somewhat like finishing a book: one lives so intensely during the writing of it that when the work is finished all the world seems, for a while, flat and stale.

The first few days I was on the set, even though the filming was not in sequence, it vividly brought back my past, and I had the sense that I was reliving those days. As a result, I had tears in my eyes — at minimum — a good deal of the time. The tears were not for Nathaniel or for me, but for Ayn and Frank. I kept feeling as if I must stop from happening to them what I knew was going to happen. But by the second week, it stopped being so intensely personal, and I enjoyed the wonder of seeing my book brought to life. I realized that a book is about something, but it's not the thing itself; a film is the reality.

This was not a once in a lifetime experience. It was a never in a lifetime experience. This is not the sort of thing that happens. And I feel so blessed that it happened to me.

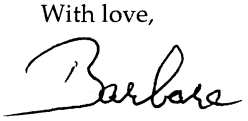
I could happily go on forever, there's so much to tell about those astonishing weeks. The director and the producers had me write a lot of dialogue both before I came to Toronto (I arrived here the second day of the shoot) and especially after. What they wanted from me mostly was philosophical dialogue pertaining to Objectivism, which, understandably, neither they nor the scriptwriter could quite handle. So I happily wrote dialogue, and got ideas into the script that I had badly wanted to get in — such as: No man has the right to initiate the use of force. (Interesting to me was the fact that I had no writer's block, not even for one second; I often was asked, at 2:00 or 3:00 a.m., to produce something by the next day — and I did it with no trouble whatever. It seems as if I'm not blocked when I can't afford to be.) But there was one scene I was unhappy about and which I couldn't get changed, despite the fact that from the beginning so many of my suggestions had been accepted. That was the scene where Ayn slaps Nathan. Her words in this scene were weak, not psychologically true. I kept saying that they should go to my book for the dialogue, because that was so much stronger than what they had.

A couple of days before that scene was to be shot, Helen came up to me with a sheet of paper on which she had rewritten her dialogue for that scene. She said it was terribly weak as it was — that it made Ayn petty, which she never would have been, that she should be shown as an erupting volcano — and that she had gone to my book for the words she would say. She chose almost exactly the lines I would have chosen — and she had the clout to get them accepted by the director.

The president of Showtime came to the set, presumably because, as the producers told me, he was very excited about the daily rushes he'd been seeing. As the shoot progressed, all the people involved seemed to get more and more of a feeling that they had something quite remarkable on their hands. In the middle of the shoot, Showtime added half a million dollars to what they had initially agreed to spend. I know that's loose change to you and me, but it was important to Showtime.

There will be a premier of the film in Los Angeles before it is shown on television. I certainly plan to be there.

With love,



Israel at 50

by Alan Bock

The ancient Israelites spent 40 years in the wilderness. The modern Israelis have spent ten years longer in the company of nation-states. Is this reason to celebrate?

Whenever the Middle East has been in the news persistently enough that I have been called upon to comment on it in the editorial pages of the newspaper for which I work, I have written that it is sheer foolishness touched with a large dose of naive *hubris* for the United States to imagine that it has a legitimate or constructive role in the bogus "peace process" that can only cost American taxpayers — as Carter's ego-building but ephemeral "success" at Camp David is still doing. Furthermore, I've written that we should end all aid to Israel and to any other country in the region forthwith. I have found it fascinating and sometimes dismaying how Israelis and Palestinians who don't really want a peace initiative to succeed make demands that they know will push buttons on the other side. Of course, I am well aware that there are legitimate grievances on both sides. But I can't imagine the United States can or should try to resolve any of them.

I believe all that and more. Yet, as Israel's 50th birthday as a state is celebrated, I have to confess that I have always loved the place, though I have never been there. My emotional instinct, whenever a new controversy arises, is to believe that Israel isn't getting a fair shake in the press and probably has the better of the case, strategically and morally. I'm detached enough to be able to acknowledge that on some occasions my emotional impulse has been wrong, that Israel has behaved abominably. But I'll go through a similar process when the next crisis arises, and given the virtually automatic anti-Israel bias in most of the mainstream media, especially with Netanyahu in power, I would even argue the instinct is defensible.

I know, I know. The most fundamental mistake was the insistence on a nation-state in the modern European mold, which anybody who has ever read II Samuel with a shred of insight should have known was a mistake, if only because it made it seem fair for the Palestinians to repeat the mistake and want a state of their own, leading to endless and perhaps irresolvable conflict. The founders of Israel were for the most part socialists of a most egregious sort. Their policies have retarded and distorted Israel's economic development. And Israel has conscription and virtually universal military service. The habit of resisting Palestinian demands almost automatically, while perhaps understandable in the context of recent history, sometimes amounts to resisting legitimate demands and passing up — sometimes with malice aforethought — opportunities that just might reduce tension. Indeed, that might be what is happening now. And there are elements within Israel, with enough clout at times of uneasy coalition government to have an influence well beyond their numbers, that wouldn't mind making Israel a Jewish theocracy if they thought they could pull it off.

Within days of the exodus of the Hebrews from Egypt, the Bible tells us, Yahweh was characterizing his Chosen People as uniquely stubborn and stiff-necked, and the behavior of the state of Israel often makes it quite clear that even after a Diaspora and a partial ingathering, the people of Israel can lay claim to being the legitimate heirs of those earlier wanderers.

And yet, with all the faults and mistakes, past, present and (no doubt) future, Israel has some remarkable and commendable accomplishments to point to after 50 years uneasily spent in the company of nation-states. Israelis have made the desert bloom and built a remarkable civic and physical infrastructure, an example of what can be done in the region. This may be part of the reason the PLO still has not purged the clause calling for the utter destruction of the state of Israel from its charter (only one of the promises made pursuant to the Oslo "peace process" on which it has reneged, to

the complete uninterest of the American media or State Department).

Sir Martin Gilbert, the incredibly prolific British historian (and secular Jew, as he described himself to me) best known for his multi-volume treatment of the life and times of Winston Churchill, puts it this way in his new book, *Israel: A History*:

> Over the past fifty years, Israeli society has faced a combination of pressures that are unusual in any nation: the pressures of continuous and massive immigration; five wars; the unpredictable cruelty of terrorist attacks (and, most recently, of suicide bombers); and a sense of isolation and vulnerability of a small nation, each generation of which has lost loved ones to war and as a result of terrorist attacks. Israel is not only a nation that for the first three decades of its existence was surrounded by sworn enemies, but one that, following a victorious war in 1967, has had to share part of its own land with another people. This is not a novelty in history, but it is a painful situation . . .

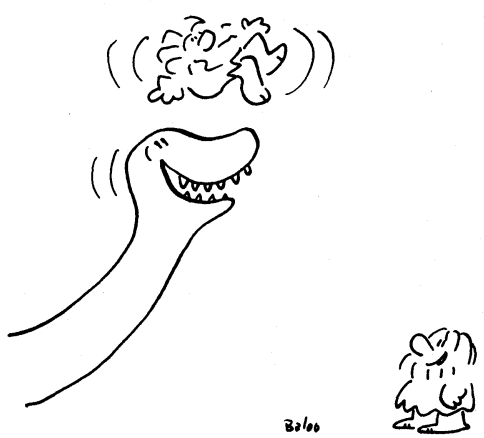
There were perhaps a half-million Jews in British Mandate Palestine 50 years ago. The state of Israel now contains about five million people, four million of them Jews. Begun as an agrarian society, it is now a notable center for high-tech manufacturing and research, especially in robotics. In 50 years the people have created a genuinely and identifiably Israeli literature, theater, art and music, despite (or because of?) its practitioners having come from around the world. Israeli scientists have been pioneers in the physical sciences and medicine. Its high-tech sector can almost rival Silicon Valley in importance. Its hospitals are among the best in the world and for the most part treat Israelis and Arabs equally. The country is increasingly a tourist destination, for Jews and non-Jews alike.

I have to confess that I have always loved Israel. My emotional instinct, whenever a new controversy arises, is to believe that Israel isn't getting a fair shake in the press and probably has the better of the case, strategically and morally.

Israel is the only democracy in the Middle East — admittedly a two-edged distinction by libertarian standards, but an accomplishment nonetheless, given traditions in the region and the unremitting hostility the country has faced from the outset. It is the only country in the region that even pretends to adhere to the rule of law, and its judicial system is mostly independent of day-to-day political pressures. Israel might be the only country in the world where John Demjanjuk, deported as a Nazi war criminal by overzealous U.S. Nazi hunters in a case of almost certainly knowing mistaken identity, could have received a fair trial. While American courts have often turned a blind eye to excesses and evidence lapses by American prosecutors, Israeli courts looked at the actual evidence and reluctantly acquitted him.

Does any of this mean that the next 50 years will be ones of unremitting progress and growing prosperity, perhaps even accompanied by a semblance of peace? Probably not. The Zionists who founded Israel have written or influenced most of the history books, so it is easy to miss the fact that the idea of a state of Israel as a homeland for the world's Jews has never been the only option. When the Zionist movement came into its own early this century, Orthodox Jews believed that they would reclaim the homeland only when the Messiah came, and that any effort to achieve that end by political or worldly means was impious and perhaps the work of the devil. Some ultra-Orthodox believers in Israel still believe this; some even refuse to recognize the existence of the state, though this doesn't prevent their taking its subsidies and demanding a voice in its policies. Divisions like those between Ashkenazi (European) and Sephardic (Mediterranean) Jews, present from the beginning and still festering, have been complicated by large migrations from Russia, Ethiopia, Yemen, South America, North America and other parts of the Middle East. A particularly nasty tussle between religious and secular Israelis is raging just now over the question of whether the Orthodox Rabbinate will have the right to decide who is a real Jew, which would include hundreds of thousands of Israelis and multitudes of potential immigrants.

Benjamin Netanyahu won the prime ministership in 1996 by only a narrow margin. He rules at the sufferance of an unstable coalition that gives ultra-Orthodox factions — whose policies are very scary to the larger population of relatively secular Jews — inordinate influence in Israeli politics. It might take only a few more missteps for his coalition to fall apart. And Netanyahu may be the most moderate and reasonable of the current Likud leaders. A Labor victory would probably bring more regimentation and social welfare schemes, which could choke Israeli prosperity. The fact that some Israeli politicians play exploitively on Israeli fears about military security does not mean that such fears are unfounded. The possibility of virtual destruction by Arab neighbors who are still not reconciled to the idea of a permanent Israeli state may be relatively small, but it is real. And while the "international community" is not as unremittingly hostile as in the days when the United Nations seemed to pass a "Zionism is racism" resolution every other week, Israel gets small sympathy and little understanding from the outside world.



"You're lucky — he usually doesn't take to strangers."

Martin Gilbert wisely declined to predict the immediate future when I talked to him (all right, he's not a close personal friend, he was on a book-flogging tour in California) but said that he was optimistic over the

continued on page 34

Mogul *vs.* Mogul

by Fred L. Smith, Jr.

Where Rupert Murdoch is shanghaied, Ted Turner finds Shangri La.

Rupert Murdoch has come under fire for reneging on a contract to publish former Hong Kong governor Chris Patten's manuscript *East and West*. Reports indicate that Murdoch considered the forthcoming work to be overly critical of the Chinese government, and thought its publication might threaten his investments in mainland China. The press has lambasted Murdoch for toadying to a totalitarian regime, thereby impairing a fledgling democracy movement, for his own economic gain. This is a pretty reasonable criticism: it is regrettable that Murdoch felt compelled to sacrifice HarperCollins's editorial integrity to advance his business interests. But like most controversies that embroil Murdoch, the current fracas brings into focus the disproportionate media vitriol directed at Murdoch, while the discretionary gestures of his more moderate and leftist peers receive nothing short of approbation.

Whether right or wrong, Murdoch's decision has eclipsed some of the political benefits of his presence in China. Though *East and West* will never officially penetrate the bamboo curtain, Murdoch's broadcasts do. They achieve political subterfuge on a different level; a discreet, gradual attack from the inside, which can be more fruitful than the frontal attack favored by human rights groups. Laced with Western ideology, Murdoch's programs are as effective a solvent of the authoritarian political regime as acid attacks like Patten's. Although seemingly innocuous, Fox's programs, like *Real TV* (which is in fact a leveled-down version of a Situationist ethic of public participation), and the anti-authoritarianism of *The Simpsons*, can be more politically instructive than high-minded China bashing. Provided there is a modicum of editorial leverage, the broadcasting of government-regulated material can work to erode the dominant political forces.

Don't get me wrong: I don't mean to suggest that the government should interfere in the media. But I do recognize that the movement away from Communist Party domination is a gradual process. On a more abstract level, the mere creation of new markets — and Murdoch is largely responsible for prying open the Chinese media market — give rise to growth and wealth creation. These activities run counter to the goals of a powerful central bureaucracy. As P.J. O'Rourke has observed, "Nothing undermines communism like a Big Mac." Crass consumerism, fueled by Murdoch's visual hamburgers, can outstrip the grandiose political rhetoric of the elites when it comes to challenging power.

Curiously, while Murdoch is singled out for culling politically sensitive projects, Ted Turner, his more politically correct adversary, remains unblemished. Turner was even commended for refusing to broadcast the Global Climate Coalition's advertisements protesting the Kyoto protocol. Corporate editorializing with a leftist accent is acceptable; only when espousing views contrary to political orthodoxy does a businessman become guilty of gross ideological misconduct.

Murdoch is so popular a whipping boy that he was transformed into Elliot Carver, media executive-cum-world-dominator-manqué in the recent James Bond film *Tomorrow Never Dies*. The strategic parallels between Elliot Carver and Rupert Murdoch are as manifold as the absence of direct allusions to Turner are curious. Turner's readily identifiable idiosyncrasies (the rugged American moustachioed cowboy, Hollywood starlet for a wife, penchant for environmentalism) are prime fodder for burlesque. And yet, Elliot Carver is presented as the ubiquitous suited businessman, in perfect harmony with Murdoch's trademark innocuousness. The

association is reinforced by the film's plot, which centers around the emerging Chinese media market (say no more), and the fact that Carver is British (Murdoch is Australian born) and owns a Fleet Street rag (Murdoch's preeminence in the UK is legendary). Also of no small importance is that Jonathan Pryce, who plays Carver, endorsed the description of his character as "Rupert Murdoch on acid." Elliot Carver is a celluloid rock lobbed at Murdoch's window.

In spite of this, the arrows earmarked for Murdoch would find a better fit through the heart of his nemesis, Ted Turner. Being in command of a private army, Elliot Carver is not sufficiently profit-oriented to be a quintessential conservative villain. One only need look to Russia to recognize that military forces do not pay high dividends. This is perhaps unfair, as a feral army is integral to every Bond plot, but all the same, Ted's widely publicized billion dollar U.N. pledge does compare as an investment blunder: high political gain, low financial return. This may be moving too fast — we could be underestimating Turner's shrewd business sense. After all, his donation is going to the world's highest executive body. Whether the investment bears fruit or folly, there are uncanny similarities between Turner and Carver wasting scarce capital on grandiose quasi-statist schemes.

It is Ted Turner, not Rupert Murdoch, who has sacrificed his profit margin to feed his fantasy of world domination.

Unlike Elliot Carver, Murdoch is mostly devoted to making money and will allow politics to take the back seat. This is evident in his short-lived East German newspaper devoted to venting anger towards occidental money-grubbers, and his benign period at the helm of the *Village Voice*. Turner, on the other hand, is enamored with high-profile politics. Witness his funding of the Goodwill Games, his U.N. pledge, and his immodest drive for a Nobel Prize. All of this betrays a personality with a very different ambition. The conclusion to be drawn is that, although the film appears to take a gibe at Murdoch, it inadvertently sideswipes Turner. It is Turner, not Murdoch, who has sacrificed his profit margin to feed his fantasy of world domination (albeit a diluted form). Murdoch is in comparison far less publicity-conscious, and less needing of the adulation that fuels Carver's and by extension Turner's megalomania.

This point is crystallized in this latest Murdoch controversy. Murdoch is attacked not for fashioning news to cohere with a certain political agenda, as Turner did with the Global Climate Coalition campaign, but for financial expediency. Whereas Murdoch is ruthlessly condemned for self-regulation (and probably should be), Turner receives unending accolades for making massive transfer payments into government coffers. The asymmetry betrays the disingenuousness of the media storm ensnaring Murdoch. Like the Bond film, the verbal rocks would have a higher chance of striking a target if they were thrown Ted's way, but there is little indication that the mainstream media is going to give it a shot. ❑

Bock, "Israel at 50," *continued from page 32*

long haul. The opportunity for something like a golden age in the Middle East, enhanced by Israel's economic success (and sometimes retarded by Israeli diplomatic blunders), is apparent to all parties in the region. And while it can be infuriating to watch the often illusory "peace process," he notes that daily life is more peaceful and vibrant than the media generally acknowledge, and a good deal of progress has already been made.

"When I'm in Israel and I want to travel from Jerusalem to Bethlehem," he told me, "I leave Israeli jurisdiction and go into Palestinian jurisdiction in a very visible way. The Palestinian authority runs the schools, Palestinian border guards check your papers, and Palestinian police enforce Palestinian traffic laws. The Palestinian Authority is a state in all but name. Most Israelis outside some fringe groups accept its existence and a substantial number welcome it. All that's left is to formalize the terminology and determine the territorial extent of Palestinian rule. That won't be easy, and the process will be full of pitfalls, but it is more likely to happen than not. Then the process of moving from uneasy acceptance to real mutual respect can begin in earnest."

It is probably too much to hope that in the next 50 years Israel and its neighbors will move decisively beyond democracy toward a genuinely free society, or that they will reconsider their determination to be nation-states in an era that could prove to be the twilight of the nation-state as a significant political player. But there are Israelis who think and talk seriously of reducing the role of the state in economic activities, and it is unlikely even a Labor majority in this day and age would claim to be or want to be socialist in the old, naive fashion that predominated 50 years ago. Most Israelis understand the importance of relatively unfettered trade to their future prosperity, even if they acknowledge that it might put the distinctively Jewish character of the country under siege, insofar as trade undermines ethnic identity everywhere. You won't catch me predicting that Israel will become a free-market model anytime soon. But I wouldn't dismiss that possibility out-of-hand.

Meantime, Israel has survived and prospered for 50 years, despite tough challenges. It has done shameful things along the way, but it remains one of the few countries in the world where ethical considerations are viewed more seriously than cynically in mainstream politics. In my experience only Jews rival libertarians in their delightful disputatiousness, their genuine interest in ideas and principles, their willingness to argue at the drop of a hat and shake hands later, making them thoroughly fun to be with. So health to Israel, with a wish that it become even freer. Those of us who love her, warts and all, as any true lover must love a beloved, can only say, "Next year in Jerusalem." ❑

The Lessons of Asia

by Bruce Ramsey

The economic miracle of Asia has collapsed. Was it free markets that failed?

When I left Asia in 1993, it was already seething with speculation. People were paying $50,000 or more for memberships in golf courses yet to be built. Hong Kong Chinese bought units in China and held them empty, as investments. To the world, Asia was Sony quality and worker-bee efficiency.

The local reality was often slapdash and make-do. The tile work in our high-rise apartment was squiggly and the bathtub faucets at odd angles. Colleagues who lived in Bangkok complained of the greenhorn clerks in the stereo stores, fresh off the farm. In Hong Kong, hot-shot bankers expected to make vice president by age 30. In Malaysia the national oil company built the twin 1,483-foot Petronas Towers, the tallest buildings in Asia; Prime Minister Mahathir Mohamad announced a new capital city and a private developer proposed a 10-story tube-like building in the old capital that would snake preposterously above a river for a mile and a quarter.

The Asia I knew from 1989 to 1993 reminded me of my dad's stories of Hollywood in the 1920s. While my colleagues in the States were plugging along with 4 percent annual raises, I was getting 15 and 20 percent. While the newspaper where I'd worked in the States cut the staff by 10 percent, Hong Kong's publishers were raiding each other's staffs.

Asia was pumping out money and jobs. Outsiders offered conflicting reasons why — that Asia had so enthusiastically embraced capitalism, or, in James Fallows' view, a kind of enlightened statism. Singapore patriarch Lee Kuan Yew spoke grandly of a Confucian ethic; he sounded like a Chinese overseer who had finally trained his Malays and Thais to work. Mostly, though, Asians were not given to such analysis. Theirs was not an analytic culture, at least not where I was. It was a money-making culture.

And it's amazing the boom lasted as long as it did.

The Asian boom was financed by Western money. The equation was simple. All the emerging Asian free market countries pegged their currency to the U.S. dollar. In Indonesia, Malaysia and Thailand, interest rates in local currencies ran 4 percent to 8 percent above dollar interest rates. This opened a lucrative window: one could simply borrow dollars, convert those dollars to Indonesian rupiah, Malaysian ringgit and Thai baht and make a quick profit. The inflow of capital financed annual growth rates of 7 percent to 10 percent. And the government-supported currency pegs removed the risk to those financing the boom. As long as the pegs held.

But, of course, the pegs could not hold forever. And when they showed signs of wobbling, the borrowers or investors panicked and scrambled for dollars. As in the European gold crisis of the early 1930s, currency panic reverberated from country to country. The rupiah, the ringgit and the baht collapsed.

Having planned for growth, the governments of East Asia naturally blamed the crisis on the most convenient outsiders. Malaysia's cranky prime minister, Mahathir Mohamad, blamed the blowout of the ringgit on international speculator George Soros. He ignored the fact that his own countrymen had borrowed the money. And the fact that his own central bank had kept interest rates sufficiently high that Soros and other speculators would be willing to pump more and more money into Malaysia.

The more democratic countries kicked their leaders out. Thailand, which has an Italian-style parliamentary system (and Italian-style corruption) had a new government by October. In South Korea, voters forsook their usually conservative politics and took on Kim Dae Jung, an old human-rights crusader, a perennial also-ran who had narrowly escaped execution under the old military dictatorship, thanks to intervention by Reagan's secretary of state, George Shultz, who quietly insisted that a hanging would be a great loss of face. A decade and a half later, Kim took office, appointed a free-market finance minister and promised to end the state subsidy of corporate giants. He cooperated with the International Monetary Fund's bailout plan, which came at the price of reform and austerity. So did Thailand.

The inflow of capital financed annual growth rates of 7 percent to 10 percent. And the government-supported currency pegs removed the risk to those financing the boom. As long as the pegs held.

In Malaysia, Dr. Mahathir (a former dentist), kept his country out of the teeth-straighteners of the IMF. But Mahathir had to cancel his Bakun Dam, which would have been second in size in the world only to China's planned damming of the Three Gorges. He is currently considering eliminating his country's pervasive affirmative-action program, which seeks to raise the status and income of his fellow Moslem Malays, at the expense of the 40 percent of his subjects who are ethnic Chinese: its cost may simply be too high. Scrapping it would be a landmark event.

Indonesia has the most reason for change and the least opportunity. Its election of March 1998 was only for show. Suharto, a former general who had seized power in 1965, gave himself another five years. He has become the Somoza of Southeast Asia, a ruler who has obscenely awarded his adult children government cash boxes such as the toll-road concession and a wholesale monopoly on cloves.

Suharto is despised, but he faces no Sandinistas. A few Catholics and Muslims raise hell in remote island provinces, but there are no actual communist guerrillas. In fact, no leftist insurgencies threaten any of the collapsed economies of East Asia. (During the early '90s, the last pathetic band of Malaysian Reds walked out of the jungle and gave up amid official fanfare.)

In any crisis, people tend to take familiar paths. In the New Deal, Roosevelt chose the state managerialism and central planning already road-tested in World War I and urged upon him by Harvard intellectuals; today the received wisdom is globalization. Transparency, markets and the rule of law are the ideas brought back by the young Asian elites from their course work at Harvard, Stanford and Chicago, and are the ideas promoted by the IMF.

The IMF wants bankruptcy laws, generally accepted accounting principles, disclosure requirements and other essentials of an arm's-length financial system. It's easy for us to object to the IMF's loans-of-last-resort at a subsidized interest rate of 4.7 percent, on grounds that we don't want to pay for them and such subsidized loans corrupt the borrowers. But no sensible person can argue with the reforms. They've been needed for years. Six months before the crisis, a well-known Hong Kong analyst (who didn't see the crisis coming) told me South Korea had "first-rate manufacturing companies and a fourth-rate financial system."

Indonesia dictator Suharto resisted the IMF bailout, flirting with a quasi-hard-money idea: a currency board to fix the rupiah to a stronger foreign currency, the dollar. The rupiah would be exchanged for the stronger dollar at a fixed rate, automatically, like a machine. When a large number of dollars are tendered, the board issues more domestic currency and interest rates fall. If it pays out more dollars than it takes in, it must reduce the quantity of outstanding local currency, and interest rates rise. The currency board allows for no discretion, no management, no monetary policy. A currency regulated by a board is always exchangeable for the stronger currency, which promotes foreign investment.

They

What a difference the East Asian financial crisis has made!

Following the end of the Cold War, the collapse of the Soviet Union and the death of communism, several leading intellectuals in the United States were cautioning Americans not to become too ideologically arrogant and to refrain from popping the corks from their champagne bottles. Hey, let's not get our paradigm too cocky here! Yes, the West had brought down the Berlin Wall. Yes, we had proved that capitalism creates more wealth than communism. And, yes, in the global war of political ideas, democracy had defeated totalitarianism.

But now that the political struggle was coming to a Happy Ending with the Western model of freedom winning the day, we would be entering into a new and perhaps even more dramatic competition between two contrasting economic ideas — between the American (or Anglo-Saxon) model of capitalism and the Japanese (or East Asian) market system.

And in this coming ideological struggle between the individual-based Cowboy capitalism, with its survival-of-the-fittest, hedonistic, heartless and chaotic qualities, and its more communitarian-oriented, family-friendly, human and compassionate Samurai rival, the East Asians may end up having the upper end. "This time, we have really seen the future," declared the new American "declinists" following this or that visit to Tokyo or Kuala Lumpur, recalling those old Fellow Travelers returning from their trip to Moscow in the 1930s or from Beijing in the 1950s. The message from the

Currency boards have been used to control hyperinflations in places like Argentina, where central bankers have lost all credibility. Hong Kong has had a currency board since 1983. Every Hong Kong dollar is backed 100 percent by foreign currency; in effect, the Hong Kong dollar *is* the U.S. dollar within a narrow band centered on 7.78:1.

Former Reagan White House economist Steve Hanke explained the idea of a currency board to President Suharto and apparently sold him on it, whereupon Suharto announced that Indonesia was to have one. This sent the IMF into a dither. Guaranteeing convertibility of the Indonesian economy down to the last rupiah, including the trillions held by Suharto and his pals, was not how the IMF wanted its dollars used.

Suharto backed down, gritted his teeth, and once again promised to do it the IMF way. He will have to be watched like a poodle on a lawn.

Pundits have attempted to read sweeping lessons into the crash, chiefly the lessons they favored all along. Statists argue that the tender economies of Asia could not handle the free movement of currency by fat Western investors. They have a point. China, which still has a controlled currency, was able to maintain the value of renminbi. But Malaysia, Thailand, Korea and Indonesia did not aspire to be like China. They want to be America.

Free marketeers, who had been promoting Asia as an example of capitalism, blamed the collapse on too much *dirigisme* and political cronyism. They had a point, too. A panic flushes out bad investments, and the show projects were among the worst. It was also notable that the most laissez-faire of the Southeast Asian economies, Singapore and Hong Kong, were citadels of relative calm. (They also, along with Taiwan and China, had the largest piles of foreign currency.)

Will Asia recover? The Asia I knew was in a classic boom, a kind of wild, adolescent blast that we Americans can read about in our history books. Like America, Asia will get up again — richer than it was five years ago, and wiser. Asia has not failed. Its people are hard workers, savers of capital, and savvy risk-takers — and their markets are free. They will be back. ❑

Were Wrong

Asian Model/Values crowd, consisting of both left-wing progressive communitarians and right-wing traditionalists and authoritarians, and magnified by the rhetoric of such East Asian luminaries as Malaysia's Mahathir Mohamad, Singapore's Lee Kuan Yew and Indonesia's B. J. Habibie was clear: the Soviets could not bury us; but at the end, it is the East Asians and their values of hard work, frugality and solidarity that would consign us, lazy, spendthrift and decadent Americans to the dustbin of history — unless, of course, we recognize the superiority of the Asian way of managing the economy and doing business, and be a little bit more "like them." So we must admit that we've been chalking up short-term profits at the expense of long-term investment; instead, we should start injecting our economy with a few healthy doses of industrial policy and managed trade. Only if we create our own America, Inc. to compete with Japan, Inc. and Korea, Inc., then, maybe, just maybe, can we Americans succeed in becoming a successful dependency of Japan and maintain a modicum of prosperity in the coming Pacific Century.

Then came the crisis.

In its wake, we observe the working of America's New Economy with its almost miraculous mix of high growth, low inflation, and falling rates of unemployment, and the forces of Creative Destruction operating in the Silicon Valley and Wall Street, in the form of another new IPO by a young Internet company. At the same time, we recognize the current sense of doom and gloom that has descended on Tokyo, Kuala Lumpur, Seoul and other East Asian capitals — Japan's battered stock markets and embarrassed ministries of trade and finance, South Korea's moribund chaebols, Malaysia's bankrupted government-managed "Silicon Valley," and Indonesia's dying "crony" capitalism, as well as rising political and social tensions all over the region.

And we find it difficult to imagine that only a few years ago we were all taking so seriously the crackpot "revisionism" espoused by the likes of James Fallows, Clyde Prestowitz, Karel van Wolferen, and Lester Thurow, and by some of America's best and brightest in the nation's editorial rooms and think tanks. In those bastions of intellectual creativity, Japan's Ministry of International Trade and Industry (MITI) and Ministry of Finance (MOF) were portrayed as the model of enlightened government management of the economy and American governments officials and business executives were urged to study carefully Korea's chaebols and Japan's keiretsus, suggesting that the cooperative, caring and long-term oriented East Asian model, centered on the government-corporate-banking nexus should replace the cut-throat, "us"-against-"them" and short-term directed nature of U.S. capitalism.

The global war of ideas has finally come to an end — and you guys have lost.

Well, the global war of ideas has finally come to an end — and you guys have lost . . . —Leon T. Hadar

The End of Photography as Proof of Anything at All

by David Brin

Allen Funt is rolling over in his grave.

There was once a kingdom where most people could not see. Citizens coped with this cheerfully, for it was a gentle land where familiar chores changed little from day to day.

Furthermore, about one person in a hundred did have eyesight! These specialists took care of jobs like policing, shouting directions, or reporting when something new was going on. The sighted ones weren't superior. They acquired vision by eating a certain type of extremely bitter fruit. Everyone else thanked them for undergoing this sacrifice, and so left the task of seeing to professionals. They went on with their routines, confident in a popular old saying:

"A sighted person never lies."

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One of the scariest predictions now circulating is that we are about to leave the era of photographic proof. For generations we relied on cameras to be the fairest of fair witnesses. Images of the Earth from space helped millions become more devoted to its care. Images from Vietnam made countless Americans less gullible and more cynical. Miles of footage taken at Nazi concentration camps confirmed history's greatest crimes. A few seconds of film shot in Dallas, in November of 1963, set the boundary conditions for a nation's masochistic habit of scratching a wound that never heals.

Although there have been infamous photo-fakes — such as trick pictures that convinced Sir Arthur Conan Doyle there were real "fairies" and Mary Todd Lincoln that her husband's ghost hovered over her, or the ham-handedly doctored images that Soviet leaders used to erase "non-persons" from official history — for the most part scientists and technicians have been able to expose forgeries by magnifying and revealing the inevitable traces that meddling left behind.

But not anymore, say some experts. We are fast reaching the point where expertly controlled computers can adjust an image, pixel by microscopic pixel, and not leave a clue behind. Much of the impetus comes from Hollywood, where perfect verisimilitude is demanded for fantastic onscreen fabulations like *Forrest Gump* and *Jurassic Park*. Yet some thoughtful film wizards worry how these technologies will be used outside the theaters.

"History is kind of a consensual hallucination," said director James Cameron recently, who went on to suggest that people wanting to prove some event happened may have to closely track the "pedigree" of photographic evidence, showing they retained possession at all stages, like blood samples from a crime scene.

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One day a rumor spread across the kingdom. It told that some of the sighted were no longer faithfully telling the complete truth. Shouted directions sometimes sent normal blind people into ditches. Occasional harsh laughter was heard.

Several of the sighted came forward and confessed that things were worse than anyone feared. "Some of us appear to have been lying for quite a while. A few even think it's funny to lead normal blind people astray!

"This power is a terrible temptation. You will never be able to tell which of us is lying or telling the truth. Even the best of the sighted can no longer be trusted completely."

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The new technologies of photo-deception have gone commercial. For instance, a new business called "Out Takes" recently set up shop next to Universal Studios in Los Angeles, promising to "put you in the movies." For a small

fee they will insert your visage in a *tête-à-tête* with Humphrey Bogart or Marilyn Monroe, exchanging either tense dialogue or a romantic moment. This may seem harmless on the surface, but the long range possibilities disturb Ken Burns, innovative director of the famed Public Broadcasting series *The Civil War*. "If everything is possible, then nothing is true. And that, to me, is the abyss we stare into. The only weapon we might have, besides some internal restraint, is skepticism." Skepticism may then further transmute into cynicism — Burns worries — or else, in the arts, decadence. To which NBC reporter Jeff Greenfield added: "Skepticism may itself come with a very high price. Suppose we can no longer trust the evidence of our own eyes to know that something momentous, or something horrible, actually happened?"

There are some technical "fixes" that might help a little — buying special sealed digital cameras for instance, that store images with time-stamped and encrypted watermarks. But that solution may be temporary, at best. Nor will it change the basic problem, as photography ceases to be our firm anchor in a sea of subjectivity.

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This news worried all the blind subjects of the kingdom. Some kept to their homes. Others banded together in groups, waving sticks and threatening the sighted, in hopes of ensuring correct information. But those who could see just started disguising their voices.

One faction suggested blinding everybody, permanently, in order to be sure of true equality — or else setting fires to shroud the land in a smoky haze. "No one can bully anybody else, if we're all in the dark," these enthusiasts urged.

As time passed more people tripped over unexpected objects, or slipped into gullies, or took a wrong path because some anonymous voice shouted "left!" instead of right.

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At first, the problem with photography might seem just as devastating to *transparency* as to any other social "solution." If cameras can no longer be trusted, then what good are they? How can open information flows be used to enforce accountability on the mighty, if anyone with a computer can change images at will? A spreading mood of dour pessimism was lately distilled by Fred Richtien, Professor of Photography & Multimedia at New York University: "The depth of the problem is so significant that in my opinion it makes, five or ten years down the road, the whole issue of democracy at question, because how can you have an informed electorate if they don't know what to believe and what not to believe?"

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Then, one day, a little blind girl had an idea. She called together everybody in the kingdom and made an announcement.

"I know what to do!" She said.

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Sometimes a problem seems vexing, till you realize that you were looking at it wrong, all along. This is especially true about the "predicament" of doctored photo and video images. We have fallen into a habit of perceiving pictures as unchanging *documents*, unique and intrinsically valid in their own right. To have that accustomed validity challenged is unnerving, until you realize — *the camera is not a court stenographer, archivist, or notary public. It is an extension of our eyes. Photos are just another kind of memory.*

So cameras can now lie? Photos can deceive? So what? *People* have been untrustworthy for a very long time, and we've coped. Not perfectly. But there are ways to deal with liars.

First — remember who fooled you before. Track their credibility, and warn others to beware. "Your basis cannot be looking at the reality of the photograph," says Andrew Lippman, associate director of the MIT Media Lab. "Your basis . . . has to be in the court of trust."

But there is another crucial point.

Second — in a world where anyone can bear false witness, try to make damn sure there are *lots* of witnesses!

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"Here," said the little girl pushing bitter fruit under the noses of her parents and friends, who squirmed and made sour faces.

"Eat it," she insisted. "Stop whining about liars and go see for yourselves."

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In real life, the "bitter fruit" is knowing that we must all share responsibility for keeping an eye on the world. People know that others tell untruths. Even when they sincerely believe their own testimony, it can be twisted by subconscious drives or involuntary misperceptions. Detectives have long grown used to the glaring omissions and bizarre embellishments that often warp eyewitness testimony.

So? Do we shake our heads and announce the end of civilization? Or do we try to cope by bringing in *additional* testimony? Combing the neighborhood for more and better witnesses?

One shouldn't dismiss or trivialize the severe problems that will arise out of image-fakery. Without any doubt there will be deceits, injustices and terrible slanders. Conspiracy theories will burgeon as never before, when fanatics can doctor so-called evidence to support wild claims. Others will fabricate alibis, frame the innocent, or try to cover up crimes. "Every advance in communications has brought with it the danger of misuse," says Jeff Greenfield. "A hundred years ago, publishers brought out books of Abe Lincoln's speeches containing some words he never spoke. Hitler spread hate on the radio. But today's danger is different."

Greenfield is right. Today *is* different — because we have the power to make photographic forgery *less* worrisome.

Because even pathological liars tend to do it seldom when they face a high probability of getting caught.

Would we be tormenting ourselves over the Kennedy assassination today, if *fifty* cameras had been rolling, instead of just poor Abraham Zapruder's? Suppose some passerby had filmed Nazi goons setting fire to the Reichstag in 1935. Might Hitler have been ousted, and thirty million lives saved? Maybe not, but the odds would have been better. In

continued on page 41

Big Tobacco Coughs Up

by Jonathan Ellis

Corporate coffers are to politicians what blood in the water is to sharks.

The tobacco industry's futile defense against Minnesota's legal jihad ended anti-climatically on May 8 when the companies put their own necks in the rope and invited Minnesota Attorney General Hubert Horatio ("Skip") Humphrey III to claim the biggest victory of his career. Big tobacco — Philip Morris, R. J. Reynolds, Lorillard, Liggett, BAT Industries, Brown and Williamson — figured coughing up $7 billion was more prudent than risking the jury's verdict. But the terms of Minnesota's settlement were so appalling, it's hard to imagine an adverse judgment being worse.

Most people I know in Minneapolis wanted big tobacco strung-up, gutted, and spat upon for good measure. Minnesotans pride themselves on their dedication to the common good, and pillaging billions from tobacco would add up to a bonanza of common good. Even before the trial started, politicians in the legislature battered each other like brain-damaged boxers fighting for the heavyweight title. The beer-swilling jock lobby cheered for a new baseball stadium. Underpaid, overworked teachers demanded more money for education because the average salary for a teacher in Minnesota is only around $35,000 a year. Public health messiahs acted like the money was already theirs. Environmentalists fantasized about a sparkling new light-rail system to service Minneapolis' low-density population. Demagogues running for governor wanted to establish a fund to pay for all Minnesota high school graduates to go to college and drink beer.

For all the chance it stood in Minnesota, the tobacco industry could have saved itself enormous legal fees by hiring a team of pimply faced neophytes fresh from the nation's obscure law schools to defend it. Why bother to put expensive legal talent on the line when it's obvious you're not going to get a fair trial?

But the industry made a serious effort. Less than two months into the trial, industry attorneys took the unusual step of asking Judge Kenneth Fitzpatrick to recuse himself and declare a mistrial. Against the charge that tobacco had cost the state $1.77 billion in additional health care expenses, the industry wanted to argue that smokers incur no more health expenses than non-smokers. There is substantial evidence to support this contention. A smoker who dies of lung cancer at age 65 dies quickly and relatively cheaply. Since smokers tend to come from lower income groups, they are more likely than wealthier people to receive public health benefits. Had the same person not smoked, chances are good he would develop a debilitating disease like Alzheimer's or Parkinson's, requiring years of expensive care. If the industry could prove that the premature deaths of smokers created no extra burden on taxpayers, the state's claim to $1.77 billion in treating smoking-related health costs would go up in smoke.

Judge Fitzpatrick refused to allow tobacco attorneys to make this argument, claiming that he was doing them a favor. No jury in the world, he said, would accept the premature death defense. Some favor. Needless to say, the judge refused to recuse himself.

Tobacco companies also objected to Fitzpatrick's acceptance of the state's highly suspect statistical model which fixed its damages at $1.77 billion, pointing out that the model included non-smoking related expenses. For example, the state claimed that the nursing home costs for two 94 year old women were smoking related. One of the women had stopped smoking 55 years earlier; the other had only smoked for one year; and neither suffered from tobacco-related illnesses. Tobacco demonstrated that the largest segment of

claims were for 19–34 year old smoking males who had virtually no tobacco related health problems. The bogus statistical model included non-smoking related expenses for treating car accidents, wounds, and hemorrhoids, of all things.

Tobacco was also unhappy with the jury selection process. Out of an original juror pool of 181, the attorneys only got to review 35. Tobacco attorneys challenged the integrity of jurors who admitted hostility toward the industry. Fitzpatrick refused to bar them from the jury, including one person who admitted that he contributed to anti-tobacco groups and favored banning tobacco, while barring another who admitted that she thought that warnings on cigarette packaging informed smokers of the risks they assumed.

Industry attorneys battled all the way to the Supreme Court in a failed bid to keep internal documents protected under attorney-client privilege. They picked apart self-proclaimed marketing experts who testified that tobacco company advertising seduces poor, unknowing teens to a life of smokey hell. They quibbled with public health messiahs who stubbornly claimed that people don't have a choice when it comes to smoking. They endured Fitzpatrick's public chastising, and defense team taunts. They managed to hold down their food even when Skip Humphrey blabbered on about saving children. But given the prejudice of the judge and the hostile opinions of the jurors, they settled rather than face the inevitable finding for the state.

Not surprisingly, public health advocates are howling with joy at the last-minute settlement, thanks to $102 million in settlement money set aside for a cessation program administered by health experts. If approved by the Minnesota Legislature, $650 million more is earmarked for a propaganda campaign to teach people what they already know — that smoking is bad for them. Again, public health experts will run the operation. For kicks, Minnesota is also forcing the industry to pay for a depository that will house the millions of industry documents secured during the trial. This anti-tobacco movement's answer to the Holocaust Museum will remain open to the public for at least the next ten years at industry expense.

There's more to the settlement than a simple wealth transfer. Tobacco companies also gave away their First Amendment rights: Minnesota's the first state in the nation to ban all tobacco branded merchandise and promotional items, including the hats and t-shirts that have become so popular with high schoolers since the government embarked on the great tobacco pillage. It's the beginning of a government mandated dress code.

Tobacco companies also agreed not to market directly to people younger than 18. What this means is unclear. Are tobacco companies now forbidden to use magazine advertising for fear that an underage kid might look at it? Marketing restrictions extend to billboards, and advertising on buses, taxis and bus stops.

For all the chance it stood in Minnesota, the tobacco industry could have saved itself enormous legal fees by hiring a team of pimply faced neophytes fresh from the nation's obscure law schools to defend it.

To the delight of anti-smoking puritans, the Minnesota settlement does yield one nation-wide ban. Tobacco companies agreed to stop paying movie producers for featuring cigarettes and smoking in films produced anywhere in the nation. A year ago, former tobacco profiteer Al Gore castigated Hollywood for supposedly glorifying smoking. And today, Minnesota's tobacco settlement provides the anti-tobacco movement a victory in its crusade to keep our beloved movie stars fit and healthy by censoring cigarettes in films.

Tobacco's cowardly capitulation can only encourage the looting of other industries. Fast-food, auto, alcohol, guns, all have powerful enemies in the body politic. In World War II, Japanese soldiers fought under one predominant principle: never surrender to the enemy. If the tobacco companies aren't going to adopt this strategy with the government looters, maybe some other industry will. ❑

Brin, "The End of Photography," *continued from page 39*

the future, thugs and provocateurs will never know for certain that their sneaking calumny won't be observed by a bystander or tourist, turning infra-red optics toward those scurrying movements in the shadows.

We are all hallucinators to some degree. So now our beloved cameras may *also* prove faulty and prone to deception? At least they don't lie except when they are told to. It takes a deliberate act of meddling to alter most images in decisive ways. Cameras don't have imaginations, though their acuity is improving all the time. In fact, when their fields of view overlap, we can use them to check on each other. Especially if a wide range of people do the viewing and controlling.

As citizens, we shall deal with this problem the way members of an empirical civilization always have, by arguing and comparing notes, giving more credibility to the credible, and less to the anonymous or those who were caught lying in the past. Discerning truth, always a messy process, will be made more complex by these new, flawed powers of sight. But our consensual reality does not have to become a nightmare. Not when a majority of people contribute good will, openness, and lots of different points of view.

Again — *cameras are simply extensions of our eyes.*

If you're worried that some of them are lying, tradition offers an answer — *more* cameras.

We'll solve it by giving up the comforting blanket of darkness, opening up these new eyes, and sharing the world with six billion fellow witnesses. ❑

From *The Transparent Society: Will Technology Force Us To Choose Between Privacy and Freedom?* Perseus, May 1998, reprinted with permission.

Primer

Introduction to Digital Cash

by J. Orlin Grabbe

In the mind of a computer lies the future of money.

Money is what people use to avoid barter — which is the direct trading of one good or service for another, such as oranges for wheelbarrows, or sex for mowing the lawn. Money in the form of physical cash implies a type of security based on physical presence. If we are face to face, I am able to inspect your goods for quality, and you are able to do the same with my cash. Cash transactions also have a temporal simultaneity: if for some reason I don't give you the cash now, you don't hand over the goods.

Money in the form of cash suffers from some drawbacks. One is bulk. Cash takes up a lot of space. A million dollars in hundred dollar bills fills a large briefcase. Another is high transactions costs. It is costly to transport physical cash, and time-consuming to count it. More significantly, physical cash can't be transferred over a computer or electronic network. (When cash is "wired," the physical cash is stored at one location; and different physical cash is given out at another location.)

Digital cash (or electronic cash) arises in an age of remote or anonymous exchange made possible by telecommunication. If I send electronic cash to a location you designate (not necessarily where you are), you send goods to another location I designate (not necessarily where I am), and we both trust the procedure (or protocol) that we go through in effecting this transaction. But however dispersed in space, digital cash transactions — like monetary transactions in general — rely on security, trust, and reliability.

Spatial separation is a characteristic of electronic commerce. Electronic commerce refers to anything involving financial transactions made by exchanging electronic data over telecommunication lines. The monetary basis of electronic commerce can be thought of as an electronic check, which we can define by analogy. An ordinary check is a piece of paper with a handwritten signature that is cleared through a third party (bank). In the same way, an electronic check is a computer message with a digital signature that is cleared through a third party. Just as an ordinary check can be sent through the U.S. postal system to another person in payment of a bill, so can an electronic check be sent over a computer network — such as Internet email or the World Wide Web. Just as a physical signature can be verified against a handwritten prototype, so can a digital signature be verified by a mathematical relationship. And just as an ordinary check (or a traveler's check) represents the liability of a bank or company, so does an electronic check represent the liability of a bank or company. As we shall see, what is often called "digital cash" is more properly viewed as an electronic check.

Money on the Web

One spur for the growth of digital cash is the commercialization of the Internet, which is the anarchic, global collection of interconnected computers, linked by the communication protocols TCP (Transmission Control Protocol) and IP (Internet Protocol). Eager vendors envision the Internet becoming a colossal supermarket, the ultimate in home-shopping — provided that payments can be made without fear of data thieves. Whatever the merit of the former idea, the validity of the latter concern is illustrated by the Internet access provider Netcom, which kept a large file containing the credit card numbers of all its customers. The file was insecurely stored, and subsequently copied illegally and circulated among a subculture not overly concerned with fraudulent uses of information or sensitive to invasions of personal privacy.

Many of the schemes that the popular press refers to as "digital cash" often amount to little more than new commercial transaction mechanisms that provide for the secure transmission of credit card numbers over the Internet. Attention may be focused on encrypted communication channels or secure messaging protocols like SSL or S-HTTP, or secure payment protocols like SET (a creation of Visa and MasterCard). These, however, are not the principal story.

Credit card transactions over the Internet are not much of a financial innovation (although the protocols by which they are effected may be), and don't raise very many new economic or legal issues. And most examples of electronic banking do not involve a different form of money, but instead simply represent a different way to access traditional banking services.

Aside from sloppiness in popular terminology, however, new to the world of electronic banking products are digital signature systems that allow the creation of a new form of electronic money, which we will call digital cash. Some of these signature systems provide an additional form of personal security in the form of anonymity or privacy; I call the result of such systems *anonymous digital cash.*

Money Is What Money Does

Money or cash is an asset that possesses value primarily because of the goods and services for which it can be exchanged. The exchange ratio between cash and a good or service is called the price of the good or service. This fact shows that the *unit of account* function of money (the price of a pig is "X") cannot be separated from its role as a *medium of exchange* (X units of money exchange for one pig or two lambs). Money also serves as a store of value: ownership of a pig can be replaced by ownership of money. The only difference between the two has to do with maintenance, price appreciation and smell. The store-of-value function of money gives rise to the digital-cash-related name "stored-value cards," although, as we shall see, stored-value cards are designed for transactions, and not primarily for storing value.

However dispersed in space, digital cash transactions — like monetary transactions in general — rely on security, trust, and reliability.

Digital cash (or, as it is also called, electronic cash) as used here refers to electronic records or messages that

- serve as money
- cannot easily be counterfeited
- can be verified as authentic by the institution granting the digital cash
- and can be securely transferred to others.

Digital cash is a payment message bearing a digital signature that functions as a medium of exchange or store of value. In order for digital cash to have value, it is sufficient that digital cash be exchangeable for ordinary cash, or that digital cash be exchangeable for some good or service which is priced in terms of ordinary or digital cash. But "digital cash" is not cash in the sense that it is legal tender — namely, money issued by the State and designated as lawful for the payment of taxes and other debts. Neither, of course, is digital cash specie. Digital cash is an idea recorded in the mind of a computer. Moreover, like a typical check — but unlike normally encountered cash — digital cash represents an obligation of a private company rather than the central bank or treasury.

Anonymous digital cash can be defined as digital cash that — for the purpose of allowing personal financial privacy — is untraceable, and transactions made with it are unlinkable. "Untraceable" means a digital cash withdrawal cannot be associated with its subsequent deposit; "unlinkable" means that it is impossible to associate two different digital cash transactions made by the same person with each other.

Just as with wire transfers and credit card payments, the messages that make up ordinary digital cash leave electronic trails as they pass through the banking system. They thus lack the privacy often associated with the use of ordinary cash. Recent monetary legislation in the U.S. and other Western nations, as covered in my article "The Money Laundromat" (*Liberty*, November 1995), aims at the destruction of anonymity or privacy. Under current U.S. law, "anonymity" in financial transactions over a certain size has become virtually synonymous with "money-laundering," and hence illegal, even though anonymity itself bears no necessary relationship to any otherwise illegal activity.

What is often called "digital cash" is more properly viewed as an electronic check.

It is the potential for anonymity that gives digital cash its significance, and not the fact that it is electronic. For almost all monetary transactions are already electronic, as has been the case for years. Most monetary transactions take place through electronic wholesale payment and clearing mechanisms like CHIPS and Fedwire. According to the National Automated Clearing House Association, in the U.S. in 1995, $533 trillion was transferred by wire, as compared to $73 trillion in check transactions, and $2.2 trillion in cash transactions.

Some people naively equate anonymous digital cash with a secure messaging system. They anticipate sending PGP-encrypted* as messages to an off-shore location, instructing, say, the First Stealth Bank of the Cayman Islands to transfer funds from their bank account to someone else's. But that is not what is meant here by anonymity. If the bank knows what is going on in your account, then potentially so can anyone else: the records can be seized, or surreptitiously accessed by computer, or a bank employee can be bribed to make them available. (In this respect, it is useful to note that the system of Swiss numbered accounts was created to protect bank customers from bank employees. Bank employees, observing what occurred in a customer's account, could possibly subject the customer to blackmail.) Anonymity requires first and fore-

*"PGP" stands for "Pretty Good Privacy," a public-key encryption system devised by Phil Zimmerman, a pioneer in the field.

most protection from the prying eyes of the bank.

Digital cash, including anonymous digital cash, is made possible by advances in cryptography, especially public-key cryptography, as I discussed in "The End of Ordinary Money" (*Liberty*, June 1995). The creation of secure transaction mechanisms and digital cash systems requires the use of public-key cryptography, cryptological protocols, and digital signatures. These applications allow the creation of electronic cash systems that are convenient to use, and also enable such systems to simultaneously offer privacy to individuals and complete transactional security to merchants and banks. In particular, one can create a system in which bank security is not compromised even if all customers and merchants together collude to rip off the bank, yet also one where the privacy of customers will not be violated even if there is collusion between all merchants and the bank. (But the customer's privacy will be lost if the customer attempts to counterfeit money, which in the context of digital cash is usually called "double spending.")

If it becomes possible to make anonymous transactions in unidentifiable international locations, will taxes become voluntary? Will governments that depend on taxes thus become obsolete?

Some of the common nominal (terminological) confusion in matters relating to digital cash stems from the fact that digital cash systems may be designed for execution using smart cards or electronic wallets, on one hand (which tends to suggest credit-card-like transactions to many people); or, on the other hand, they may be software-only systems designed for electronic transfers over the Internet (which tends to blur the distinction between digital cash and electronic banking in general). The chief difference is that typical credit card and electronic banking transactions raise general security issues, but do not represent an alternative to central bank-issued tokens (such as Federal Reserve notes) or government-guaranteed instruments (such as FDIC-insured deposits) in quite the same way as does digital cash. Moreover, unlike anonymous digital cash, the former also lack privacy.

Anonymity and the Leviathan State

Anonymity raises many issues. If my payments are anonymous, how can I prove I made them? If my money is truly private, what keeps the bank from stealing from me? If a government doesn't know who pays whom, how can it collect an income tax? If the ownership of financial assets is indeterminate, what happens to taxes on financial assets?

Anonymity is controversial also because it threatens the Leviathan State. The powers of modern nation-states — ranging from the ability to make war, to the suppression of political dissent, to the distribution of subsidized benefits to favored voters — all hinge on the collection of taxes and similar revenues. Taxes are commonly based on identifiable location. But consider this: "If I dial in from Aspen to a computer in Pittsburgh, whose client software buys information from a library in Michigan, through a payment server in Delaware, where did the transaction occur?"[1] One court decision, *Quill Corp. v. North Dakota*, says states can impose taxes on out-of-state vendors only if they have "a physical presence" in the state. Is physical presence a simple matter of personnel or hardware? What about a virtual presence?

Now for "state" (a subdivision of the U.S.) substitute "country," and then complicate the picture with the addition of anonymity. If it becomes possible to make anonymous transactions in unidentifiable international locations, will taxes become voluntary? And will governments that depend on taxes thus become obsolete? The development of electronic payment systems is driven by transactions costs, including the costs of government intrusion and regulation. Due to recent advances in cryptology, there should be only a modest increase in the cost of implementing systems that provide for privacy and anonymity in addition to convenience. Hence there might be a competitive advantage to anonymous systems, and they might naturally supersede non-anonymous systems.

We can divide digital cash systems into two types: privacy-invading systems and privacy-protecting systems. Both system types are based on digital signatures. Privacy-invading systems involve a signature of an issuing bank or other party on electronic cash, and the signed piece of cash is then treated like a registered security: the bank is able to observe the entire transaction history from withdrawal to deposit, to next withdrawal to next deposit, etc. Privacy-protecting systems are also based on digital signatures (the digital cash system of Stefan Brands is based on Schnorr signatures[2]), but the difference is in the nature and the application of the signature scheme. It is possible for the bank to sign a legitimate piece of digital cash, without the bank knowing exactly what it is signing. The piece of cash cannot be traced upon its subsequent deposit. Yet, at the same time, the bank is protected against counterfeiting. If the same piece of digital cash is spent more than once, the privacy protection is automatically stripped.

Through the Internet it is possible to access inexpensively a banking computer located anywhere in the world. If one doesn't like the banking and regulatory environment in one's neighborhood, one can bank in another part of the world.

But then, one might ask, why are digital cash systems that make little effort to preserve privacy becoming so prevalently abundant? The answer appears to be related to government promotion of (and, in the case of cryptology, imposition of) obsolete technology. The Leviathan State is no great supporter of individual freedom or privacy, and has made serious efforts to limit their scope. (Hence intrusive government can be viewed as a type of transaction cost that requires technological progress for its elimination.)

Conversely, consider the threat to personal security

posed by the potential creation of general digital cash systems that are not anonymous. The convenience of such systems, combined with the traceability of transactions, could easily expand the surveillance power of Big Brother government. The U.S. Internal Revenue Service for example, has made such data collection an avowed goal:

> 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 know what your spending pattern is, I should be able to generate for you a tax return . . ." [3]

An increased collection of electronic transaction information, along with perhaps increased strictures on the use of physical cash, could make the IRS or other tax authorities a hidden partner in all economic transactions. This may sound laughable at first, considering the recently revealed failure of the Internal Revenue Service's $8 billion computer modernization project. But there is no doubt where IRS intentions lie.

Moreover, non-anonymous electronic money is often not "fungible." Smart cards can be issued to welfare recipients to control their behavior and to track their purchases. The cash could be spent at store X, but not at store Y. It could be used to purchase item A, but not item B. Before you cheer this use of technology, consider that it can be used against anyone else also. Routine transactions at certain shops — whether gun shops, head shops, or unapproved book stores — could receive special scrutiny. Highway tolls could be collected electronically, and the passage of vehicle owners through selected traffic junctures monitored. In short, the monetary system itself, in the hands of information collectors and collators like the IRS, FinCEN, and similar government agencies, creates a type of "national identity card" and "national diary" for each individual who participates in it.

Through its various "Clipper Chip" proposals, the government has already attempted to become a third party to all private communications. (The Clipper Chip, abandoned in March 1997, was to have been a government-accessible monitoring device installed in every telephone, fax, and cable TV set-top converter. The Chip would have provided government a "back door" that bypassed the ordinary cryptological security of the communication channel.) But there is no real distinction between an electronic communication and an electronic transaction. If the government can read your communications it can also control your money. Conversely, if the government can enforce particular protocols for electronic money, then it acquires de facto control of all uses of cryptology. It acquires the power to equate the use of non-approved encryption technology with money laundering and tax evasion. After all, that encrypted piece of email might just have a digital coin attached to it.

Does anyone really care? Is there a market for privacy? The Chairman of the Federal Reserve thinks there is:

> Since privacy is such an evident value in our society, where technology threatens that value, entrepreneurs can be counted on to seek means to defend it. The major resources they have devoted to encryption in the development of new communication systems attest to the economic value they place on privacy in communications. Moreover the pressures to enact legal prohibitions on the dissemination of personal records will also create incentives to produce technologies that protect them. Indeed, the most effective means to counter technology's erosion of privacy is technology itself. [4]

Clifford Neuman and Gennady Medvinsky, the authors of NetCash, express the consensus of many digital cash developers and potential users:

> Concern for privacy dictates that it should be possible to protect the identities of the parties to a transaction. This is important to prevent the accumulation of information about the habits of individuals, e.g., the documents they read, or the items they purchase. It is also important to protect parties that receive payment in certain situations, such as rewards. . . . it should not be possible to monitor an individual's spending patterns, nor determine one's source of income. [5]

Contrast those statements with the contrary trend of "data mining" in the banking industry. The following statements by an executive of Security First Technologies illustrates why many experience growing concern for the future of privacy:

> Banks have traditionally gathered large amounts of information about their customers. But it is often stored in separate databases in different departments. For example, mortgage applications would be in one database, checking transactions in another. Only recently have banks begun to undertake "data mining," the process of integrating these databases to provide a total financial picture. . . . To remain competitive in an Internet Age banks must make better use of data mining by greatly expanding the amount of detailed customer information available to the data analysis software tools. Such information should include loans, brokerage, insurance, and credit cards. [6]

This is fine, if you want or require your banking data to be mined. But not everyone does. Some would prefer a little anonymity. The basic reality is that the use of computers to make transactions makes record keeping easier. Privacy is therefore not something that will take care of itself. For those who value privacy, some thought applied to the process of preserving it is necessary.

Digital Cash and the Future of Banking

Back in the mid-1980s there was little reason to contemplate electronic banking as a consumer activity. The best computer was an IBM PC/XT operating at 4 megahertz, with 640 kilobytes of memory and a 20-megabyte hard drive. The latest modem was a Hayes 1200-baud model for $300, and there were less than a half million modems in use. It was a dubious environment just for dial-up home banking, much less for Internet banking. Commercial Internet service providers didn't exist.

Today more than 20 million households are connected to the Internet, and typical home computers operate on a 100 megahertz Pentium chip, and have 16 megabytes of random access memory and a gigabyte of hard drive storage space. Modems that operate at 28.8 baud are the norm. All this has made possible consumer-level electronic banking, and — with it — practical digital cash systems.

It is folly to attempt an in-depth economic analysis of digital cash in its primitive stages. The market, as it evolves, will

draw on the collective intelligence of its users, and will likely develop in unforeseen directions, as well as eschew many of the apparently "obvious" ones.

But it is clear that to its various developers digital cash is intended as a substitute for cash, not for ordinary bank deposits. This is seen in the choice of names: DigiCash, CyberCash, etc. As we discussed previously, digital cash has more the character of an electronic check than of cash, because — unlike ordinary cash — it requires the intervention of a third party to either debit or credit accounts in any series of transactions. But the same is also true of debit cards and credit cards, and yet these latter clearly substitute for cash: one typically carries such cards to avoid the inconvenience of carrying large sums of money. Which means that if digital cash is a substitute for ordinary cash (coins and Federal Reserve notes), it is also competing with existing credit and debit cards.

So, then, who needs digital cash?

Well, those who want privacy and those who want options in banking.

The first advantage of digital cash is that it makes possible anonymity and privacy — something not available through existing credit and debit card systems, or existing checking accounts. That is, digital cash represents an attempt partially to restore the anonymity features of ordinary cash in an electronic environment.

The second motivating factor for digital cash is the growth of the Internet. The Internet has vastly changed the banking marketplace. Through the Internet it is possible to access inexpensively a banking computer located anywhere in the world. Thus, if one doesn't like the banking and regulatory environment in one's neighborhood, one can engage in regulatory arbitrage by banking in another part of the world. I introduced the term "regulatory arbitrage" in the 2nd edition of *International Financial Markets* in 1991 in connection with the eurocurrency markets, but similar comments apply to Internet banking:

> The eurocurrency markets represent a type of regulatory arbitrage. Eurobanking is a managed financial package that combines the currency of one country (one regulatory environment) with the banking regulations and competitive efficiencies of another country. This repackaging was made possible by improvements in worldwide communication links and information technology. If the regulatory burden becomes too high in one area of the world, the bundle of eurobanking services can be reassembled in another. Hence, national regulators must compete to maintain their respective shares of the eurocurrency business. Competition with respect to lending quotas, reserve requirements, capital requirements, deposit insurance, the taxing and reporting of interest payments, and the taxing of profits, dividends, and capital gains, all measured against any perceived positive benefits of local regulation, governs the geographical distribution of eurocurrency market shares. (p. 256)

What the eurocurrency markets did for wholesale banking, Internet digital cash could do for retail banking. Cost factors alone may drive banks to the Internet. A survey of European and American banks by Booze, Allen & Hamilton found that the cost of the average payment transaction on the Internet was 13 cents or less, compared with 26 cents for a personal computer banking service using the bank's own software, 54 cents for a telephone banking service, and $1.08 per transaction for a bank branch.[7] Hence the Internet would appear to represent a low-cost direction for expansion. It might have a competitive cost advantage for all transactions, while having an exclusive on certain low-valued transactions (which would otherwise be ruled out entirely if the cost of providing those transactions was too large a percentage of the transaction itself).

How will the banks handle the Internet? There are three distinct approaches to Internet banking software:

1) The fat client model relies on the customer having dedicated banking software on his PC, like Intuit's Quicken software. Data and business logic is stored on the customer's PC. But this type of model has little flexibility, and is not easily integrated with other Internet applications.
2) The thin-client-stateless model only expects the customer to have generic software, such as a web browser, and the interface relies on a generic language (such as the World Wide Web's HTML). This is sufficient for supplying account information or transferring funds, but it doesn't allow the customer to add much value by processing the data in any way. It doesn't allow the customer to do her own data mining.
3) The thin-client-stateful model combines a generic interface like a web browser with PC-resident software. Think of, for example, a plug-in to Netscape Navigator. This allows the customer to set up her own security parameters, categories, budgets, and whatnot.

The thin-client-stateful model represents the probable future direction of Internet banking.

Digital cash systems, including anonymous ones, can operate with any of these models. Digital cash could, for example, be transferred as a simple attachment to an email message. Stefan Brands's digital cash scheme would allow such a transfer using only 150 bytes or so in an email attachment.[8]

Carrying Digital Cash

Digital cash systems that are purely software-based are usually on-line, because of security problems associated with computer software. On-line systems are ones that involve an authentication and authorization server (a specialized dial-up digital cash or VISA computer, for example). Information provided by a user is compared against information in a central database. A transaction between buyer and seller does not take place unless the third-party server first verifies the buyer's identity (in non-anonymous digital cash systems) or the validity of the buyer's digital cash (in both anonymous and non-anonymous systems), and authorizes payment to the seller of the good. If the system is anonymous, so that the identity of the spender is not known, the on-line computer verifies that the digital cash offered in payment was not spent previously; that is, that the cash has not been counterfeited.

Off-line systems, by contrast, involve no third party in the payment from buyer to seller. Off-line systems require less immediately accessible communication than on-line ones. But off-line digital cash systems require additional

continued on page 68

The Liberty Poll

Please answer whichever questions you wish, and return this page (or a photocopy) with your answers marked to: Liberty Poll, PO Box 1181, Port Townsend, WA 98368. Feel free to attach a sheet of paper and expand or explain any answers. All answers will remain confidential. Thank you for your help.

Part One: PERSONAL

Your age: _____

You are: ❑ Male ❑ Female
❑ Caucasian ❑ American Indian ❑ Black ❑ Asian ❑ Other

Your annual income is: ❑ less than $10,000
❑ $10,000—$20,000 ❑ $20,000—$30,000
❑ $30,000—$50,000 ❑ $50,000—$100,000
❑ $100,000—$250,000 ❑ Over $250,000

Your formal education (highest level completed):
❑ Some High School ❑ H S Graduate: Private? ❑ Yes ❑ No
❑ Some College ❑ Two Year College Degree
❑ Bachelors' Degree: Private? ❑ Yes ❑ No
❑ Some Grad School ❑ Master's Degree ❑ Doctoral Degree

Your Occupation (check as many as apply):
❑ Computer-related ❑ Engineering ❑ Managerial ❑ Sales
❑ Small Business Owner ❑ Scientific/Technical ❑ Investor
❑ Medical Professional ❑ Factory Worker ❑ Teaching
❑ Farmer ❑ Nonprofit Organization ❑ Law
❑ Government Employee ❑ Other_____

Years in Military: ____ Highest rank: ❑ Officer ❑ Enlisted

Family: Married? ❑ Yes ❑ No Legally? ❑ Yes ❑ No
Number of Offspring?____ Number of Grandchildren? ____
Number of divorces, if any? ____
Number of older brothers? ____ older sisters? ____
Number of younger brothers? ____ younger sisters? ____

Religion: Which of the following best describes your religious training as a child? ❑ Roman Catholic
❑ Mainline Protestant ❑ Fundamentalist Protestant
❑ Jewish ❑ No Religion ❑ Other_____
Do you consider yourself a follower of any religion today? ❑ Yes ❑ No
Which, if other than specified above? _____
How long ago did you most recently attend a church or other form of worship? ❑ 0-7 days ❑ 8-30 days ❑ 31-90 days
❑ 91-365 days ❑ 1-5 years ❑ longer ❑ never

Sexual orientation:
❑ heterosexual ❑ homosexual
❑ bisexual ❑ other

Sexual activity (Check one)
❑ Autoerotic only ❑ Celibate ❑ Monogamous
❑ Polygamous ❑ Casual/Promiscuous ❑ Group Sex
How long have you been with your current partner?_____
What are the political beliefs of your current partner?
❑ passive libertarian ❑ active libertarian
❑ quasi-libertarian other _____

Part Two: INTELLECTUAL DEVELOPMENT

A. Do you consider yourself to be a libertarian? ❑ Yes ❑ No

B. Who introduced you to libertarian ideas?
❑ teacher ❑ friend ❑ parent ❑ relative
❑ writer ❑ other _____

C. Before becoming a libertarian, how would you characterize your political beliefs? ❑ left ❑ right ❑ center

D. Please rank on a scale of 1 to 5 the degree to which the following thinkers influenced your intellectual development. (5 = substantial importance . . . 1 = little or no importance)

We are *not* asking you to report the degree you agree with these individuals' thought — what we seek to know is how important each figure was in your growth of *your* thinking, especially with regard to social and political matters.

Your Mother	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Your Father	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Brother and/or Sister	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Aristotle	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Frederic Bastiat	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
R.W. Bradford	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Nathaniel Branden	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Harry Browne	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
David Friedman	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Milton Friedman	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Barry Goldwater	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Henry Hazlitt	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
F. A. Hayek	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Robert A. Heinlein	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Karl Hess	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Thomas Hobbes	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
John Hospers	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Thomas Jefferson	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Immanuel Kant	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Robert LeFevre	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
John Locke	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Tibor Machan	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
H. L. Mencken	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
John Stuart Mill	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Ludwig von Mises	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Albert Jay Nock	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Robert Nozick	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Ayn Rand	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Murray Rothbard	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Herbert Spencer	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Lysander Spooner	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
William G. Sumner	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Morris & Linda Tannehill	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Benjamin Tucker	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
_____	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
_____	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5

Part Three: MORAL OPINIONS

Please check the following statements if you believe them to be true, or express your own values or opinions.

❑ The proper role of government is finite, but much smaller than at present.
❑ Government should be eliminated altogether.
❑ Abortion is wrong.
❑ Abortion should be illegal.
❑ A person should have a legal obligation to support his or her offspring.

❑ Political action is an appropriate method of advancing individual liberty.
❑ People have a responsibility to vote.
❑ Communism is the greatest threat to human liberty.
❑ The U.S. should remove all restrictions on immigration.
❑ The U.S. should remove all tariffs immediately.
❑ There is a God.
❑ An employee of the state is a receiver of stolen goods and therefore is committing an improper act
❑ One can accept government services (food stamps, subsidized housing, use of roads, etc.) without committing an immoral act.
❑ If the State expropriated all wealth and one could not exist without accepting stolen goods, it would be moral and proper to accept such goods (i.e., live within the system).
❑ A proper government would have an absolutely isolationist foreign policy.
❑ It is always wrong to initiate force against another human being.
❑ All men by their nature have a right to: ❑ life ❑ liberty ❑ property ❑ the pursuit of happiness

My political beliefs are based upon (feel free to check more than one of the following):
❑ my religious beliefs ❑ my understanding of history
❑ my life experience ❑ rational, philosophical analysis
❑ my understanding of economics

Part Four: IDEOLOGICAL ACTIVISM

Do you give money to:
❑ Libertarian organizations ❑ Humanitarian organizations
❑ Cultural organizations ❑ Religious organizations

Have you given money (aside from the purchase of books or subscriptions) to any of the following libertarian organizations?
❑ The National Libertarian Party
❑ A local Libertarian Party
❑ Advocates For Self-Government
❑ Foundation for Economic Education
❑ International Society for Individual Liberty
❑ Cato Institute
❑ Institute for Objectivist Studies
❑ The Ayn Rand Institute
❑ Ludwig von Mises Institute
❑ The Reason Foundation
❑ Liberty Foundation
❑ Other_____

Do you talk to acquaintances about libertarianism? ❑ Yes ❑ No
What percentage (if any) respond favorably?_____

Do you speak in public about libertarian ideas? ❑ Yes ❑ No

Do you belong to any political organizations? ❑ Yes ❑ No
Which ones?_____
_____

Do you belong to any community groups? ❑ Yes ❑ No
Which ones?_____

How many conferences, seminars and conventions did you attend in the last year?
❑ One ❑ Two to Five ❑ Six or more

Have you ever run for a political office? ❑ Yes ❑ No

Are you a registered voter? ❑ Yes ❑ No

Are you a member of a political party? ❑ Yes ❑ No
Which one?_____

Part Five: PROBLEMS

A. Suppose that you are a security guard for a large shopping mall. A terrorist has threatened to drop a bomb from a balcony into a crowd. He is moving toward the balcony's railing carrying an object that you believe to be a bomb. You have a gun. He has a hostage between himself and you (he knows that you have identified him). You have only a few seconds to react.

Which of the following most accurately reflects the action you consider appropriate?
❑ You should fire a gun at the terrorist only if you are certain that you will miss the hostage.
❑ You should fire at the terrorist if there is a reasonable chance that you will miss the hostage.
❑ You should fire through the hostage, if necessary.

B. Suppose that a parent of a new-born baby places it in front of a picture window and sells tickets to anyone wishing to observe the child starve to death. He makes it clear that the child is free to leave at any time, but that anyone crossing his lawn will be viewed as trespassing.

Would you cross the lawn to help the child?
❑ Yes ❑ No

Would helping the child violate the parent's rights?
❑ Yes ❑ No

C. Suppose that a parent decides to experiment with a radical new diet for his new-born child.

Should you prevent the parent from trying the diet, if you had good evidence it would endanger the child's health?
❑ Yes ❑ No

Suppose that you had good evidence that the diet would endanger the child's life?
❑ Yes ❑ No

D. Suppose that you are on a friend's balcony on the 50th floor of a condominium complex. You trip, stumble and fall over the edge. You catch a flagpole on the next floor down. The owner opens his window and demands you stop trespassing.

Which of the following statements reflects your beliefs?
❑ You should enter the owner's residence against the owner's wishes.
❑ You should hang on to the flagpole until a rope can be thrown down from above.
❑ You should drop.

E. Suppose that your car breaks down in an unpredicted blizzard. You are trapped and may well freeze before help can get to you. You know that there is only one house within hiking distance. You hike to it. The owner, a frightened woman whose husband is absent, refuses to admit you (she has no phone, so asking her to telephone for help is pointless).

Which of the following statements reflects your beliefs?
❑ You should force entrance, but in this case it would not constitute an act of aggression.
❑ You should force entrance, even though it would be an act of aggression.
❑ You should not attempt to enter the house.

F. Suppose that you live in a large city. Your neighbor constructs an atomic weapon. He assures you that he would detonate it only as an act of defense. You believe that he intends to commit an act of extortion ("The city must pay $1 million, or I will detonate it").

Which statement most clearly reflects your beliefs?
❑ You (and your neighbors) should prevent the construction of the device.
❑ You should put up your house for sale and move (check here ❑ if you feel obligated to tell your prospective buyers of the situation). You should not interfere with his actions.
❑ You should do nothing, since such a situation is unthinkable and, therefore, is not happening.

Please send to: **Liberty Poll, P.O. Box 1181, Port Townsend, WA 98368**

Reviews

***Journals of Ayn Rand*, edited by David Harriman. Dutton, 1997, 745 pages.**

The Evolution of Ayn Rand

Stephen Cox

Publication of Ayn Rand's *Journals* is an event of considerable importance to people interested in the history of the Objectivist movement, which Rand created, and of the American individualist movement, on which she has been an important influence for many years.

"Journals" does not mean personal diaries. We are told by the editor of the current publication that "notes of a personal nature will be included in a forthcoming authorized biography." What we have in this edition is Rand's "*working* journals — i.e., the notes in which she developed her literary and philosophical ideas" (xv).

Most of these notes result from the elaborate planning process for her two largest novels, *The Fountainhead* (planned and executed, 1935–1943) and *Atlas Shrugged* (planned and executed, 1943–1957). Among the remaining material are film scenarios from the 1920s, notes for her first completed novel, *We the Living* (published 1936), and some interesting work on projects that were never completed: a book on ethics and politics, *The Moral Basis of Individualism* (1943–1946); a more comprehensive philosophical book, *Objectivism* (1958–1960); *Top Secret*, a screenplay, commissioned by Hal Wallis, about the development of the atomic bomb (1945–1946); an early novel, *The Little Street* (1928); and a final novel, *To Lorne Dieterling* (1957–1966). Curiously, no notes for Rand's second published novel, *Anthem* (1938), seem to be extant — an indication, perhaps, that she wrote that brief work in the heat of inspiration, needing no detailed plans.

Rand's notes on literary and philosophical projects include a variety of reflections on subjects connected more or less intimately to them. We have, for instance, substantial comments on Frank Lloyd Wright and other architectural figures who loom in the background of *The Fountainhead*; observations about Hollywood and Los Angeles personalities, as background for *The Little Street*; and pungent remarks on many subjects, from "wealthy idlers" (152), to people who fool themselves so early in life that they don't even know they're doing it (98), to people who think that libraries should have as few front steps as possible, so that the buildings will appear more inviting to the public:

> This may be quite sound in relation to library architecture, but the question it raises, in a more general sense, is this: is it advisable to spread out all the conveniences of culture before people to whom a few steps up a stair to a library is a sufficient deterrent from reading? (123)

A good question, the kind of question that Rand would put even if no one else would. It's one of the many illustrations of her idea that it had fallen to her to "speak of what everybody knows, and be shocking and new, for that very reason" (681).

In his foreword, Leonard Peikoff, Rand's heir and the founder of the Ayn Rand Institute, indicates that the *Journals* are "the bulk of her still unpublished work. . . . What remains to be published are two lecture courses on writing, presently being edited, and her old film scripts." He also indicates that "eight or ten scenarios for the silent screen," discovered after Rand's death, have mysteriously disappeared. Should they ever be relocated, he promises to publish them (vii).

This reminder of the ease with which documents get lost can only increase one's pleasure in finding that so much of Rand's unpublished work has been preserved. Everyone who would like to know more about her life and work will be grateful to Peikoff and to the editor, David Harriman, for making this book available to the public. It is attractively produced, reasonably priced, and very substantial in content.

Either-Or

Of course, no edition escapes controversy about its methods. Controversy is bound to arise simply from the fact that various groups of readers come to an edition with various and (frequently) incompatible expectations. The problem in regard to Rand's *Journals* is the existence of two very different audiences — one scholarly, the other popular or casual: audiences that cherish very different desires.

Casual readers do not want to see all of an author's manuscripts. They don't want to be slowed down by items that are merely of "historical interest"; they want a selection to be made. They

may also want — or need — a good deal of help in the form of explanatory notes. Editorial explanations are particularly important when a text consists largely of an author's communications to herself, communications that may not represent her final views or provide adequate self-explanations.

But scholarly readers are restive with editorial explanations of this kind. They don't think they need them, and perhaps they don't. Also, they abhor any attempt at selection and exclusion. They want to see everything the author wrote, just the way she wrote it. As for notes and commentary, what they demand is exact information about the state of the original text and the process of editing it; the facts behind all of the text's non-obvious references to persons, places, and things; all the sources of those facts; and a fully reliable index.

Harriman omits the rare note that "was too cryptic to be intelligible." But of course that's precisely the kind of note that scholars want to see: maybe they will find the clue and solve the mystery.

Now, an interesting thing about Rand is that she has both an extraordinarily large popular audience (according to the *Journals'* publicist, her books sell over 300,000 copies a year) and an extraordinarily large scholarly audience. I am not referring to college professors and literary critics, the vast majority of whom don't like her and have no intention of reading her. (Yes, there's an irony in that sentence.) Rand's scholarly audience consists of a multitude of intelligent people who are avid non-professional readers of her work and of everything related to it. They regard her writing as tremendously important and valuable; they want to learn all they can about the work and its context. This audience will probably account for most of the *Journals'* sales. As for casual readers, Rand has them in enormous numbers, but most of them remain just that — casual. They may have enough literary commitment to finish *Atlas Shrugged*, but her working notes are undoubtedly much further down on their reading list. A good publisher or editor will want to attract as much of the popular audience as possible — but how can the competing claims of the two audiences be reconciled?

Harriman tries to steer a middle course: "I have included the material that I judge to be of interest to serious, philosophical admirers of AR's novels and ideas. This standard is, in effect, a middle ground between the scholar who wants every note, and the casual fan who might be satisfied with a selection of notes on fiction" (xv). I am not sure what distinguishes the group of serious admirers from the group of scholars. What is certain, however, is that editing is a process of either-or decisions, and that most of the decisions in this edition fall somewhere below the expectations of the scholarly audience.

That doesn't mean that the decisions are thoughtless or arbitrary — most, in fact, are quite understandable — or that all their effects are bad. Harriman has fulfilled the primary duty of an editor, which is to collect his author's material and arrange it sensibly. That, apparently, was not an easy task; Peikoff refers to the necessity of bringing "order to dozens of large cardboard cartons filled with scattered papers and mementos" (xii). Of the available journal material, Harriman omits only about one-fourth. He offers 700 pages of text, and that's a lot of text. Some of the omitted material (to be frank) will not be greatly lamented, even by hard-core scholars. And it's worth remembering that publishers, as well as editors, usually have something to say about these issues. I've never heard of a publisher who wanted to *lengthen* an edition.

But where should the line be drawn?

Harriman omits "lengthy notes that merely state what the reader of [Rand's] published work already knows, such as final outlines for novels" — not an extremely controversial decision (xv). Another comparatively easy call is the decision to omit some of Rand's rewrites of her notes. Harriman includes "such later material only when it contains provocative new formulations" (xv). No one wants to read essentially the same thing over and over again — and yet, "provocative" is a highly subjective term. Harriman omits most of the background research material that Rand quoted or paraphrased from other authors but did not annotate — and yet, these notes could tell us a good deal about her way of selecting material and shaping it to her purpose. Harriman omits isolated notes on nonliterary, nonphilosophical topics — and this may sound like an uncontroversial decision, until one reads his example of an omitted note: "AR's critique of President Truman's decision to fire General MacArthur." Surely a note like that would be of interest, even if it wasn't literary or philosophical. Finally, Harriman omits the rare note that "was too cryptic to be intelligible" (xvi). But of course that's precisely the kind of note that scholars want to see: maybe *they* will find the clue and solve the mystery.

Harriman's policy regarding line-edits is also of concern, though I suspect that here the problem lies more with his explanations of editorial decisions than with the decisions themselves. He says that "not a great deal of line editing was required" by Rand's notes (xvi). Hmm. How much is that? He continues:

She is looking, simultaneously, for firm structure and fiery conflict: that is what makes "strong contrasts"; that is the hallmark of her style and method.

> I found few grammatical errors, except in the early notes of Part 1, which were written before [Rand] had mastered English. Most of my line editing was done to facilitate one's reading. I broke up paragraphs and sentences that were too long, occasionally supplied grammar that was merely implied, and eliminated the distracting overuse of parentheses, dashes and underlining. (xvi-xvii)

Such editing does "facilitate one's reading," but it also prevents one from being sure that one is reading Rand's sentences with Rand's own emphasis. And it denies one the chance to study

her acquisition of English as a literary language after her arrival in this country at the age of 21 — a matter of some interest, considering the fact that she is one of the very few important authors of imaginative literature who have been able to master English in adulthood.

Harriman says that he uses ellipsis points to indicate his "omission of passages within the notes," and one finds very few such omissions. Fine. But he apparently refers to another kind of line-editing when he discusses his attempt to reduce the "wordiness" that sometimes appears in Rand's notes:

> It is impossible — even for AR — consistently to find concise formulations while thinking aloud on paper. In many sentences, therefore, I have been able to eliminate words without affecting the meaning. However, I typically made such changes only when the original sentence was difficult to read. (xvii)

He provides no examples, leaving us to wonder what he means by "many" and "difficult" and "meaning." The effect of all this is to undermine the objective authority of the text.

Harriman's notes are ordinarily brief and to the point. They provide useful information about the dating of the various sections of Rand's *Journals*, about the various stages of work that they represent, about her methods of work, and about the literary characters and real-life personalities who appear in the *Journals*. The information is usually stated with admirable clarity; but scholarly readers could often profit from receiving more of it, and more information about its sources. Even casual readers might be interested in knowing more about some things, such as the musical numbers that are important in Rand's notes for *To Lorne Dieterling*. Saying that they are "popular tunes from the turn of the century" doesn't take us far — and it isn't strictly accurate, unless the overture from *La Traviata* (1853) is "turn of the century" (710).

Sometimes, an editorial comment is simply frustrating. In introductory remarks about the comparatively few pages of notes related to *We the Living*, Harriman mentions the omission of material that "was too cryptic to be of general interest." This, however, is more a speculation about the audience than a characterization of the material (49). What kind of cryptic material is it? Cryptic in what way? More frustrating is a comment on Rand's notes for *Atlas Shrugged*, April 13, 1946 (fortunately, Rand was a dater). Here she says, "I am not sure I want to use this — it belongs in the novel about the mind." Interesting! What novel about the mind? But Harriman's note says only: "AR thought of writing a novel showing the primacy of reason over emotions, but it eventually became obvious that this theme was included in *Atlas Shrugged*" (412).

Other editorial notes are much more helpful, especially to the popular audience. On a number of occasions, Harriman lets the casual reader know that something in Rand's early writing conflicts with something in her later writing. Or he offers a heads-up about the significance of a particular passage: "Here we see AR grasping the crucial point that ethics begins by asking not 'What are the right values?' but rather

'Why are values necessary?'" (272). Scholarly readers may find these notes distracting; casual readers should appreciate them. Everyone, though, will want a more reliable index. The current index is incomplete not only in its listing of proper names but also in its listing of page references, even for very significant entries.

Despite any problems I have mentioned, this edition is useful and welcome. It presents no radically new conception of Rand's career, but it confirms much that was known or surmised, offers fresh and challenging statements of her ideas, significantly extends our knowledge of her writing process, and provides the first substantial information about several fascinating uncompleted projects.

Maturity and Growth

One of its best features is the large amount of plain good writing that one discovers here, much more than one might expect to find in an author's working notes. Rand does very well in the medium of brief and (as she thought) temporary comments. The volume contains many shrewd observations, vital expressions of personality, and spirited confrontations with intellectual problems.

There are also a number of memorable aphorisms. The literature on Rand has so far had very little to say about her remarkable power in this medium. Skill as an aphorist is not something that one demands of novelists, or philosophers either — although one would like to demand it of the philosophers, at least, as proof of their ability to clarify their principles. But it is one of the dominant influences on Rand's mature style, an important source of its concision, lucidity, and intensity.

Some instances from the *Journals*:

> No great man ever says that success is made through fraud; every small man says that. (419)
>
> The realization of man's capacity for ecstasy is the only reason for this world's existence. (231)
>
> If it is biased not to notice similarities between a man and an amoeba — what sort of bias prompts those who do not notice the differences? (302)
>
> [On the kind of person who tries to "find philosophical significance in Donald Duck":] It's not Donald Duck that he's boosting. It's philosophy that he's destroying. (193)
>
> If your emotions do not proceed from your intellect, you will not be able to apply it, even if you know all the rules. (270)
>
> No road is ever muddy enough but that someone will rush to plump himself into its middle. (302)
>
> Principles are much more consistent than men. (351)
>
> If I think, I value. (189)

One of Rand's maxims ought to be carved over the door of every newspaper, publishing house, and college in the world:

> The art of writing is the art of doing what you think you're doing. (270)

And I would add: if you don't understand that saying, then you shouldn't try to be a writer.

In her mature writing and conversation, Rand's skill as an aphorist always appears quite natural and spontaneous. But some of that naturalness had to be acquired. It needed some cultivation. Her early notes for *The Fountainhead* (February 9, 1936) contain these statements about Howard Roark, the novel's architect hero: "He does not build for people. People live for his buildings" (94). That's *almost* an aphorism. It becomes one in the finished novel, where Roark says, "I don't intend to build in order to have clients. I intend to have clients in order to build."

Rand followed a principle of literary common sense: weak conflicts make weak stories. She had no intention of writing weak stories.

Another, related skill that Rand had to cultivate was an ability to reproduce the rhythm of speech, to sense and capture the subtly, constantly varying weights of words. The mature Rand is so good at this that one forgets to give her all the credit she deserves. Despite her prodigious verbal facility, her struggle with colloquial English must have been titanic. Echoes of it can be heard in her notes for dialogue in *Atlas Shrugged* (1945). Here she plans to

make one character speak the novel's catch-phrase, "Who is John Galt?", and to make another respond, "Stop using that cheap figure of gutter legend!" (396) The first character speaks in easy monosyllables, like a modern American; but the second sounds like someone who's just shown up in the court dress of the Austro-Hungarian monarchy. The mature Ayn Rand, the Ayn Rand who was fully herself in the American language, was a considerable literary accomplishment; and with Rand, the literary and the philosophical

On the evidence of the Journals, Rand was cautious and self-questioning.

are seldom very far apart. It was because Rand developed such a clear and penetrating understanding of the relationships among various levels and implications of ideas that she was able to shape the popular language ("Who is John Galt?") into representations of profound philosophical themes.

In his introduction to this volume, Leonard Peikoff emphasizes Rand's philosophical growth, one example of which is her growth away from what Peikoff and Harriman and many other people call "Nietzschean" elements in her early work (ix, 95). It is right, in a way, to call them that. Rand quotes Nietzschean sayings, she is inspired (as in her aphorism about "ecstasy," just quoted) by Nietzschean visions of joy, and she expresses an intellectual elitism that one associates with Nietzsche. She does so as late as her notes for *The Fountainhead* (February 9, 1936). In one part of her sketch of Roark's character, she says:

> *Politics* — interested only in not being interested in politics. Society as such does not exist for him. Other people do not interest him. He recognizes only the right of the exceptional [man] (and by that he means and knows only himself) to create, and order, and command. The others are to bow. (95)

But Rand makes rather few specific references to Nietzsche, and she seems quite uninterested in the philosophical framework that supports his ideas. It is possible that she derived from him little more than a tone, an attitude, or, more likely, the confirmation of a pre-existing attitude; in short, just about what a hundred other authors of her time derived. If so, this is not enough to make her a Nietzschean in any philosophical sense, especially while she still considered herself a philosophic "amateur" (66).

Her comment, in 1936, about Roark's total lack of politics is an important clue. By 1942, when she wrote the climactic trial scene of *The Fountainhead*, he has a lot of politics, but they aren't exactly Nietzschean; they're classical American. Speaking to the court, Roark says, among other things:

> The "common good" of a collective — a race, a class, a state — was the claim and justification of every tyranny ever established over men. . . .
>
> The only good which men can do to one another and the only statement of their proper relationship is — Hands off!
>
> Now observe the results of a society built on the principle of individualism. This, our country. The noblest country in the history of men. The country of greatest achievement, greatest prosperity, greatest freedom. This country was not based on selfless service, sacrifice, renunciation or any precept of altruism. It was based on a man's right to the pursuit of happiness. . . .
>
> I recognize no obligations toward men except one: to respect their freedom and to take no part in a slave society.

There's nothing here about the exclusive right of the "exceptional" man.

Neither Command nor Obey

Rand's first novel, *We the Living*, was written in opposition to a "slave society," the Soviet Union, the society from which Rand herself had managed to escape in 1925. To that degree, *We the Living* was a political novel. But a few months after completing it, Rand wrote these callow notes on politics:

> The new conception of the State that I want to defend is the State as a means, not an end; a means for the convenience of the higher type of man. The State as the only *organization*. Within it — all have to remain individuals. The State, not as a slave of the great numbers, but precisely the contrary, as the individual's defense against great numbers. To free man from the tyranny of numbers. (May 16, 1934 [73–74])

But what is it about the individual that the State is supposed to defend? The individual's rights, of course. Yet:

> The fault of liberal democracies: giving full rights to quantity (majorities), they forget the rights of quality, which are much higher rights. Prove that differences of quality not only do exist inexorably, but also *should exist*. The next step — democracy of superiors only. This is not possible without a very high and powerful sense of honor. . . . (74)

I'll say it's not! These vague, paradoxical speculations of the mid-1930s (what is a "democracy of superiors"?) refuse to coalesce into anything that one could call a political philosophy. One very serious problem is a confusion about rights. Rand associates rights with two different things: (1) the *positive* ability to do or be certain things — an ability that "exceptional" people have in an exceptional degree: hence, the "rights of quality"; and (2) the *negative* guarantee of the individual's immunity against certain things that other people may want to do to him — a guarantee that "all" people need if

The literature on Rand has so far had very little to say about her remarkable power as an aphorist.

they are to "remain individuals": hence, the rights of everyone. As the mature Ayn Rand would tell you, very emphatically, it's bad practice to talk as if there were more than one set of "rights," just as it's bad practice to think of "freedom" as something that can't be understood as the absence of coercion. But in the mid-1930s, she appears to confuse "freedom" with the power to be or do something specific. "What exactly is freedom?" she writes on May 15, 1934, in response to Ortega y Gasset's *The Revolt of the Masses*.

> Surely, freedom does not mean an empty blank. . . . If a man has no ideals at all — why is that called freedom? How can any human quality,

such as freedom, be disconnected from its content? Isn't there a terrible mistake of abstraction here? Isn't it as Nietzsche said: "Not freedom *from* what, but freedom *for* what?" . . . (70)

Here is a typically modern disappointment with "freedom *from*" because it seems merely "negative." Rand does not yet fully realize how powerful "freedom *from*" — "Hands off!" — can be.

But when she begins to look more closely at politics, she sees that you cannot have freedom *for* individual achievement unless you have freedom *from* all interference with individuals. She sees that they are two different sides of the same coin, and that the only logically defensible position is that everyone has an equal and absolute right to cry "Hands off!" The development of this clearly non-Nietzschean sense of individualism can be seen in *Anthem* (written mid-1937):

Rand derived from Nietzsche little more than a tone, an attitude, or, more likely, the confirmation of a pre-existing attitude; in short, just about what a hundred other authors of her time derived.

[N]either command nor obey. . . .
But what is freedom? Freedom from what? . . . [T]o be free, a man must be free of his brothers. That is Freedom. That and nothing else.

It can also be seen in some *Journal* writing of the 1940–1941 period, the time when Rand became actively interested in American politics and the nature of the American political system; and it can be seen in *The Fountainhead* as published in 1943. It marks an impressive tightening of Rand's intellectual grasp.

There are some interesting relationships here between Rand the thinker and Rand the writer. Her "Nietzschean" conceptions about power and freedom were clearly related to her literary desire for intense characterizations. Thinking of the character that Howard Roark needed to be, she wrote in 1936: "He has a tremendous, unshatterable conviction that he can and will *force* men to accept him, not beg and cheat them into it. He will *take* the place he wants, not receive it from others" (95).

The context, which is mainly concerned with Roark's artistic aspirations, shows that this use of "force" is largely metaphorical. No one can literally *force* someone to give him an architectural commission. Nevertheless, literary metaphors have a way of seeping into an author's political philosophy, especially if they are metaphors of power. That, unfortunately, is how many imaginative writers form their "political philosophies." But Rand always wanted to get to the bottom of things; and in this case, she had artistic as well as political reasons for doing so.

In *The Fountainhead*, she meant to paint on a really broad canvas; it was important to her to consider political and social as well as artistic and psychological issues. She therefore needed to discover exactly what Roark's individualism meant in relation to social and political issues. She asked herself questions, and she integrated the answers with what she was learning about American politics and history. The result was a novel, and a philosophy, that was individualist in every dimension.

Conflicts and Harmonies

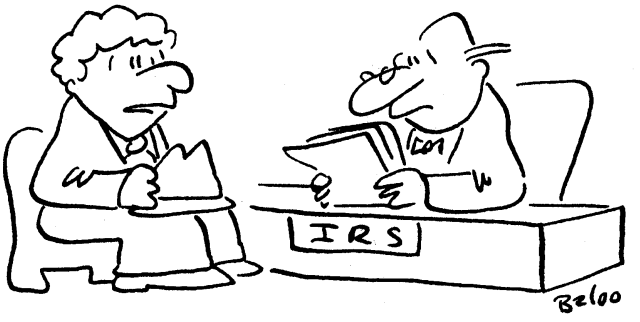
One of the most important literary influences on her way of thinking continued to be her sensitivity to dramatic contrasts and conflicts, her interest in making the oppositions in her writing as intense as possible. In this she followed the great nineteenth-century novelists whom she so much admired. She also followed a principle of literary common sense: weak conflicts make weak stories. She had no intention of writing weak stories. Furthermore, the conflicts must be grounded in intellectual, not merely circumstantial, oppositions: to be really strong, they must go all the way down.

From the first she believed that "the stronger the contrast, the better" (31). Even her images of harmony emerged from her contrastive way of thinking, as in her notes for *The Fountainhead*'s first scene:

Rocks like a frozen explosion — a struggle, the harmony of conflict, the hard unity not of peaceful balance, but of opposite forces holding one another in check. . . [A] million sparks in the granite, the rock flaming, a hard luster, the polish of heat, as if the air were a liquid, so dry that the stones seem wet with sunrays. (186)

She is looking, simultaneously, for firm structure and fiery conflict: that is what makes "strong contrasts"; that is the hallmark of her style and method. The contrastive way of thinking was with her always, and it was truly creative, in both the literary and the philosophical parts of her work.

It often leads her to do things that are, strictly speaking, unnecessary, things that are sometimes wrong but that are often magnificently right. In *The Fountainhead*, she decides that Roark can use a diametrical opposite, and she invents for that purpose the architectural critic Ellsworth Toohey. Toohey doesn't need to be a strong character to fulfill his basic role in the plot. His philosophy, indeed, is a gospel of weakness. But Rand wants the strongest, most intellectually interesting contrast that she can build. So Toohey grows into his job, becomes interesting in his own right, becomes an answer to many questions of primary importance. "*There are only two fundamental bases*," Rand writes to herself (November 22, 1937). "*Roark's and Toohey's. Show them at work*"(143).



"I've always had trouble with story problems."

> Roark and Toohey as the two poles of good and evil.
>
> Everything that happens to the others in the book is according to the principles either of Roark or of Toohey. These principles are illustrated by the actions of the two men. In their relations to these two, and in the influence of these two, the [other] characters play out the drama which illustrates the two life-principles. (May 15, 1938 [180])

Rand's search for dramatic contrasts could lead her astray. She sometimes thought she had discovered irreconcilable conflict where she later found a benevolent or malevolent alliance of only superficial opposites. We have seen this kind of mistake in the forcing-versus-begging antithesis of the early *Fountainhead* notes. If begging is wrong, then "forcing" must be right. . . . But she corrected that view. By the time *The Fountainhead* was completed, forcing and begging were both planted with unmistakable firmness on the debit side of the ledger, revealed as enemies of individualism in all its forms. In the published novel, Roark is asked, right away, how he proposes to "force" his ideas on people; and he responds, "I don't propose to force or be forced. Those who want me will come to me."

Here is another example of self-correction. In the first set of notes for *The Fountainhead* (late 1935), Rand says that civilization is not "the work of many men working together" but "the work of many men working *alone*," and she contrasts civilization so dramatically with collective process that she allows no room for cooperation:

> All civilization, all progress . . . has been accomplished not by a cooperation between an originator and his followers, between man and the mob, but by a *struggle* between man and the mob. (86)

A year and a half later (mid-1937), she finds a reason to revise that view. She is pursuing a problem suggested by her architectural research, the problem of how any part of "civilization" — such as a building — actually gets "accomplished." She maintains her sharp contrast, but she does so by distinguishing two forms of cooperation. In a system of false cooperation, "everyone's voice [is considered] as good as the next fellow's," and the result is an "eclectic mess." You can't build a skyscraper that way. That requires "the proper spirit of cooperation," which manifests itself when the less talented let themselves be led by the more talented, as they do on a good construction job (132). The dramatic contrast remains; the intellectual dynamic has changed.

But the process continues. The contrastive method leads her to another solution, one that provides a broader view of society and is fully integrated with her evolving political philosophy. The notes for Roark's speech (1942) put the conflict in this way: "Cooperation, but not collectivism. . . . Use the product of others and add that which is new and yours" (222). Rand's memorandum of January 2, 1946 regarding *Top Secret* carries the basic contrast farther: "Collectivism is compulsion. Compulsion and cooperation are not synonyms. They are opposites. Collectivism is group action by decree. . . . Cooperation is a highly complex *division* of individual labor" (323).

Top Secret was going to be a film about the atomic bomb project, which was a formidable system of scientific and industrial cooperation. Thinking about how that system could be presented in a screenplay gave Rand the opportunity to specify some of the economic applications of her political ideas, just as earlier literary tasks had helped her to specify the political ideas themselves. The basic literary method was the same — a use of dramatic oppositions to emphasize intellectual structure and evoke intensity.

That method could, at times, produce less happy results: abrupt judgments, false oppositions, overgeneralizations. One is surprised to learn that Rand could be so enthusiastic a searcher for dramatic contrasts as to say that sex either has "a high spiritual base and source" or is nothing but "an evil perversion" (609). Everyone can cite examples of such Randian dicta. It is interesting, therefore, to see how many times in the *Journals* Rand insightfully corrects herself, both implicitly and explicitly, and how many times she conscientiously stops to question what she's doing:

> Chapter I [of *The Fountainhead*]: Roark planted too soon — too much of him given — too obviously heroic — the

author's sympathy too clear.(?) (205)

> Do not dialogue thoughts. Control adjectives — cut the weakening ones. Do not use adjectives unless they are different and illuminating. Don't go into over-detailed analyses of psychology — unless it's something new and illuminating to say. Don't give any details whatever — in sentences or thoughts — unless you have something new to say. (207)

> *Or are second-handers in the majority?* That, perhaps, is the heart of the question. Maybe not. Maybe Pat [Isabel Paterson, novelist and political theorist] is right — the fault is in men's thinking, not in man's nature. (Think, think, think on *this* point.) (264)

On the evidence of the *Journals*, Rand was cautious and self-questioning about the basic matter of her literary investments. She limited herself to a few literary projects and concentrated on making them pay off. She planned meticulously, reviewed her plans with care, and husbanded her energy, often working on a project intensely for short periods, then taking a break for weeks or months before returning to her notes and drafts. She was reluctant to drop an idea or character until she was sure that what she had planned would not have the desired effect. But once she was sure, she was ruthless.

From *Atlas Shrugged* she dropped a number of situations and secondary characters, including a priest whom she intended as a "glamorized projection of a Thomist philosopher, of a man who thought he could combine reason with religion." She would make him, to some degree at least, a convert to her ideas. She experimented with the priest for a while, then abandoned him to the limbo of dead notes. She had decided that to cast a priest in a favorable role would be to give an inadvertent "sanction" to religion (405, 540–41).

From *The Fountainhead* she dropped all of Howard Roark's pre-Dominique Francon girlfriends, even those of considerable psychological and literary interest (199–200). She also dropped the suicide of Roark's friend Steven Mallory, transforming it (brilliantly) into a failed assassination of Ellsworth Toohey. She dropped a great deal of plot business that she had planned for the conclusion of the novel — another wise decision.

From *The Moral Basis of Individualism*, her first philosophical treatise, she dropped — everything. She decided that the book was a bad investment, after all. It had problems, as she saw when she reviewed the draft she had written up until June 29, 1945: "Bad in language — too journalistic and uncertain. Shaky. No unity of style, because no unity of method and approach. Reorganize and rewrite. . . ." (271). Eventually, she became too "bored" to continue a project that was not rewarding to her (479). On the evidence of the *Journals*, this decision was also wise. The language *was* shaky.

In Her Mind . . .

Rand had no choice about *Top Secret*. It's obvious that she would never have dropped it herself, but Hal Wallis sold the project to MGM, and MGM promptly shelved it. And that was a terrible mistake. The notes, outlines, and memoranda in this volume provide a very substantial account of Rand's ideas. If they had been followed, the result would have been a cinematically gripping, intellectually exciting film.

An easy movie about the atom bomb, the kind of movie that almost anyone would think of writing, would demonstrate the bomb's awesome power, dramatize the nation's enormous financial investment in its production, dwell suspensefully on America's scientific race with Nazi Germany, whip up patriotic fervor, introduce fears of mass destruction, insinuate distrust of the scientific mentality, and so on and so forth. But Rand's purpose was to demonstrate that scientific discovery is not the result of luck or money or political power or patriotism or crafty schemes or craven fears but of individual minds at work in conditions of freedom.

When Rand interviewed J. Robert Oppenheimer, scientific head of the Los Alamos Project, what impressed her most was not the "sheer brain power" that other people found so impressive, or his project's fabled secrecy; it was the freedom that he and his fellow-workers had enjoyed. "Scientists given choice of problems," she recorded in her notes.

> *Reasons* instead of *authority*.
>
> *Free* to solve problems.
>
> Scientists like music. Long walks, skiing, horses.
>
> *No one ever gave an order at Los Alamos.* (330)

In one of the scenes that Rand proposed for the movie, a Jewish scientist, Lise Meitner,

> is forced to leave Germany. . . . She sits alone in a corner of the train, her mind intent on the inexplicable [results of an] experiment; she makes calculations on a piece of paper. A solution occurs to her suddenly; it is a stunning solution — but she must keep quiet about it. At the frontier, Nazis search her luggage: they take from her an old camera, a typewriter, and other such physical objects; nothing of value to the State, they declare, can be taken out of Germany. We see a close-up of Lise Meitner — the broad forehead, the intelligent eyes. What she is taking out is in her mind. (339)

All the real drama of the intellect, notoriously so hard to evoke on film, is in this scene.

Two other imaginative projects that Rand left tantalizingly uncompleted are *The Little Street*, which would have been her first novel, and *To Lorne Dieterling*, which would have been her last. One would like to know more about her reasons for leaving these works in their planning stages — although almost any summary of *The Little Street* would make almost anyone (certainly including the mature Ayn Rand) want to abandon it. The hero is an "imperious," "impatient," "untamable" young man, a youth of "too brilliant and fiery a nature to be able to handle any 'job' and make money," or, indeed, to adopt any relationship at all with "everyday life." He has "the consciousness of a god," and a Greek god's disdainful cruelty. That is the hero. The villain is a representative of conventional moral feeling, "a popular, 'respectable' pastor." This gentleman "damages, if not ruins," the hero's life. The hero murders him; is apprehended, tried, and sentenced to death; then escapes, only to be lynched by a mob: "torn to pieces, beaten to death on the pavement with the water of the gutter running red" (26–29).

The book sounds unpromising for a hundred reasons, about fifty of them

having to do with what Rand scorned, in another context, as "obvious, pointless exaggerations" (207). But there is something about her notes that, nevertheless, makes one want to have the story told, if only to find out how she'd handle the telling. She always hated "the little street," the world of petty ideals and petty rules, the world of "snickering, giggling, dirty-story-telling, good-timing, jolly, regular fellows" (29). She satirized it superbly in *The Fountainhead* and *Atlas Shrugged*. In *The Little Street*, her intention was to confront that world with the ultimate "outsider" (29). It would be *Babbitt* rewritten as a *roman noir*:

> The story ends with Hetty, the girl who loved him, going to a grocery store on a rainy November evening, sent by her mother to buy some hamburger and ten cents worth of chopped pickles.
>
> And the last cry of the story, as the girl looks at the little street:
>
> "I'm afraid, Mother, I'm afraid!" (29–30)

The effect is bizarre, grotesque, creepy — just as its author intended.

Rand had to cultivate an ability to reproduce the rhythm of speech, to sense and capture the subtly, constantly varying weights of words. The mature Rand is so good at this that one forgets to give her all the credit she deserves.

An unpromising book . . . and yet, one would like to see more of it.

There are no grounds for hesitation about *To Lorne Dieterling*. The concept is transparently simple and transparently right. An artist (first identified as a writer, then as a dancer) suffers disastrous failures in both public and private life. Despite everything, she retains her values. She finds, at the end, that she has nothing to regret, nothing to envy, nothing to forgive: she is herself; she has won. Rand planned and replanned the story; complicated it, resimplified it; then committed it permanently to her imagination — and now to ours. ❑

***The Other Americans:* How Immigrants Renew Our Country, Our Economy, and Our Values, by Joel Millman. Viking, 1997, 317 pages.**

America Revitalized

Martin Morse Wooster

One of the many problems in the continuing debate over immigration is that there's been very little reporting on what productive immigrants are like. The left, hostile to capitalism and devoted to promoting multiculturalism and subsidized separatism, has little use for immigrants who simply want to come to our country to create businesses through hard work. The anti-immigrant right, eager to portray all immigrants either as welfare scroungers or as thieves who somehow "steal" jobs, has little use for any evidence that shows immigrants to be successful entrepreneurs.

But America, once known as "the melting pot," seems an ideal place for foreigners to make good by industriousness and entrepreneurship. So, what sort of businesses do immigrants create? What effect do immigrants have on our economy?

In *The Other Americans*, Joel Millman provides ample evidence that many immigrants productively add wealth and variety to our country and our culture. Millman, a *Wall Street Journal* reporter, is not out to provide policy analysis, although he does favor removing most restrictions on immigration. Nor is his book an economic cost-benefit analysis, although there's plenty of economics in Millman's book. Instead, Millman shows the effects of immigrant business creators by providing several case studies. Most of the time, according to Millman, immigrants create jobs because of a multiplier effect. Typically, some immigrants move into a blighted neighborhood and start businesses. But these immigrants have needs — food, shelter, telephones. These services are provided by other immigrants, who then also consume, creating more jobs and wealth.

Complaints that these newly-created jobs "are 'Third World jobs' misses the point," Millman writes. "Of course they are. That's why Third World immigrants take them. What is truly extraordinary is the discovery, the immigrants' and ours, that Third World work earns enough in the First World for the worker to consume at a First World level." Lots of these jobs are ones that many Americans won't do. The flood of immigrants into New York City, for example, ensures that most New Yorkers who want to get some salad at 2 a.m. will easily find a salad bar with a Korean owner and a Mexican vegetable slicer. Similarly, immigrants who clean homes and provide child care profitably assist working mothers who want to return to the labor force.

But Millman's most fascinating chapters show that the benefits that immigrants provide aren't just limited to cities. For example, suppose that after a hard day of driving, you decide to sleep in a budget hotel. Why do you have a choice among five or six inexpensive hotels? Perhaps you should thank Idi Amin. In the mid-1970s, the deranged Ugandan despot expelled tens of thousands of Indians, mostly from the Gujarati clan. These Indians landed in America, many allowed in because of a clause in the immigration law that admits people who will invest at least $40,000 and hire ten people. But the businesses these Gujarati could invest in were limited. Religious scruples ruled out jobs that involved handling meat. Language barriers

suggested that these Indian émigrés would be more productive in jobs that didn't involve daily face-to-face contact with customers. That meant the hotel business — and specifically, low-budget hotels that did not include restaurants. By choosing places near interstates, the Indian émigrés could efficiently serve travelers who wouldn't stay more than one night, thus ensuring minimal contact with English-deficient personnel. And large Indian families ensured an ample labor force; hotel jobs, Millman reports, became ideal for college students whose salaries could be partially paid by letting them live on the properties.

Today, Indians (known in the hotel trade as "Patels") own more than half of the Days Inns in America, as well as a third of the Howard Johnsons and Ramadas. Had immigration policies been more restrictive, it's unlikely that many of these facilities would have been built. Immigrants also ensure that Americans have ample supplies of fruits and vegetables in the winter. Tens of thousands of Mexicans toil in the California fields; walk in a California vineyard at harvest time, Millman writes, and you'll find a *mundo Mejicano* — a Mexican world. Moreover, some California immigrants are now extensively growing crops exclusively for the Asian market, making up to $12,000 an acre exporting bok choy, daikon radishes, and broccoli.

The Other Americans is full of inspiring stories — Portuguese and Brazilians in Framingham, Massachusetts, Africans in New York and Philadelphia, Caribbeans in Brooklyn. With the exception of a chapter on Haitian immigrants in Florida, which does not succeed because Millman did not develop enough sources, Millman convinces his readers that many immigrants are productive and enterprising.

If we're ever to have a sensible immigration policy, we need better reporting on what immigrants do. *The Other Americans* persuasively shows that most immigrants are neither victims nor parasites, but simply people who, like most other Americans, want to create wealth and celebrate their heritage.

Immigrants do not need either our pity or our taxes. They do need our respect — and, if the price is right, our business. ❑

***The Soul's Code: In Search of Character and Calling*, by James Hillman. Random House, 1996, 334 pages.**

Daimon in the Rough

Karen Michalson

The Soul's Code is an infuriating piece of post-Jungian New Age psychobabble that trivializes the very soul-sickness in contemporary America that it seeks to redress, namely the pathological glorification of mediocrity and denigration of excellence.

James Hillman argues that "we need to emphasize the exceptional in a society that now, owing to reverse snobbism, is enthralled with the ordinary." When Hillman claims that we have suffered a loss of soul by "inviting mediocrity in — just doing a passable job as a team player, not upsetting the boat" I cheered; but this was only after hurling the book across the room several times, exasperated at Hillman's obtusely hierophantic agenda for inviting greatness into our lives and his irritating use of clichés in a book purporting to defend excellence.

Hillman bangs the primitivist drum for what he calls the "acorn theory" of human character and calling, which postulates that we are born with a "defining image," an individualized soul that both *is* and *contains the seeds* of our calling, just as an acorn contains and is an oak tree. Drawing on Plato, Hillman claims that we decide what our acorn and calling will be before we are born, that we sit around in the otherworld and choose whether we will be a great philosopher/artist/inventor/world leader or, well, a nobody. Then we each get a *daimon* or guardian angel or *genius* (the term keeps changing) who comes into the world with us where we promptly forget our original choice. Our daimon, however, remembers and arranges our life so everything turns out as we planned, kind of like an invisible nanny.

Sometimes Hillman seems to be using "daimon" as a metaphor for that undefinable calling of the soul that becomes a life path, and sometimes he writes as though it is a literally existing entity. This sloppiness gives the impression that he (or his publisher) lacked the confidence to market this book to an upscale educated audience while claiming a literal belief in daimons, but still wanted to titillate those readers carrying humanities degrees and a mystic bent.

But since it's myth, he gets to have it both ways, metaphor and reality. He conjures up the Swedish folktale of the Huldra, an apparition with an invisible back. For Hillman, the Huldra is the archetypal image of the hazy duplicity of myth, and his excuse for not being burdened with anything as dull as clarity. "Myths fall back on invisibility," he preaches. So does Hillman's argument, because the Huldra's invisible back means that intellectual rigor is also unnecessary, excellence be damned. The point seems to be that since myths are fuzzy enough to be anything you want them to be, only a mean-spirited spoilsport lacking the capacity for mythic vision could object to Hillman's constant reliance on anecdotal "evidence" to make his point.

Hillman divides humanity between individuals who chose the daimon that will insure that they become great at their calling, and the rest of us who chose the wrong daimon to insure world success. In an argument reminiscent of the Church's injunction to sinners to contemplate their own unworthiness by studying the lives of the saints, he recommends that we con-

tent ourselves with learning to appreciate our own humanity by contemplating the lives of the great, who enrich us by becoming living embodiments of the great archetypes of western history.

He doesn't quite put it that way. Well, actually he does, but that's later. He begins by claiming that he is using the lives of the great to prove his point about daimons because such lives show their workings in the well-documented extreme. He tells us several well-worn anecdotes about the childhoods of famous people, one representative example being that when Golda Meir was eleven years old her daimon made it possible for her to rent a hall to stage a political meeting protesting the required purchase of schoolbooks. Hillman, who conveniently dismisses pedestrian concerns like time, which "must be set aside" because he wishes to read lives backwards as well as forwards, urges breathlessly, "Was she not already a Labor party prime minister?"

Well, no, she was an eleven year old girl. I remember three or four children from my own school days who had enough of a political bent to organize school protests. None of them became prime ministers. I suspect that if one had, Hillman would be trumpeting him as having chosen the right daimon, but since none did, well their youthful activities are the ineffectual beatings of mediocrities who lack the proper archetypal luster to inspire the rest of us to contemplate our humanity. There's something fatalistic, if not weirdly Calvinist, about Hillman's suspension of time and reading lives backwards. If you are successful enough to affect the "World Soul" with your talents, it's a sign you chose the right guardian angel.

His descriptions of the unrecognized masses are just plain snobbish. He mentions that Rush Limbaugh failed Speech 101, adding that, "he already had a national listening audience by the throat, so of course he couldn't take instruction from a Southwest Missouri State teacher of speech." I don't know if Hillman is sneering at all speech professors or just those at Southwest Missouri State, but it's sentences like these that help explain why we suffer with such intolerance of achievers. Their "defenders" always come across sounding like the insufferable hanger-on who thinks he's a better man than you solely because he's attached himself to one. When Hillman writes such self-congratulatory statements as "It takes a genius to see genius" he doesn't do a lot to dispel this impression.

In reality, Limbaugh failed speech decades before he had a national listening audience. However, and to my mind more egregiously, Hillman displays the disconcerting naiveté that supports most earnest snobbishness by refusing to disrupt his mythic vision to entertain the reality that there are very few jobs as talk radio hosts compared to the applicant pool, and that talented speechmakers who don't get on-the-air jobs often teach while working for their break. Telling the also-rans to contemplate Limbaugh's mythic excellence to add dimension to their own colorless lives may not be the best way to welcome excellence back to public consciousness.

Half the people who have ever been born are alive today. That's a lot of Shakespeares and Pasteurs competing for publishing contracts and research grants.

Neither are the endorsements on the bookjacket. In a book that purports to defend greatness, one would expect to see endorsements from some of the great achievers of the age, like Jerome Friedman in physics or Joseph Murray in medicine or John Barth in literature or John Lee Hooker in the blues. Instead there is insipid praise from Joe Menosky, who produced a recent *Star Trek* movie, and Gary Hart.

So why and how does one choose the right daimon? Hillman conjures up the goddess Ananke, or Necessity, and does cartwheels trying to re-mythologize her into a force that allows him to be a fatalist without actually being a fatalist. It's almost comical. "This determinism is indeterminate," he proclaims, before writing, "This makes the understanding of our lives relatively easy: whatever we are we could not have been otherwise. There is no regret, no wrong path, no true mistake. The eye of necessity reveals what we do to be only what could have been." And incomprehensibly, "At the moment the decision falls, it is necessary. Before it is decided, all lies open. . . . All is at risk in each decision, even though what is finally decided upon at once becomes necessary."

That's nice and neat, like all circular arguments, but I'm not sure claiming that it's the mystic working of Necessity that allows the few to succeed and the rest to plod along will encourage many people in our envy-ridden society to welcome mythic greatness back into our midst and maybe buy tickets for Shakespeare plays instead of *Star Trek*.

It would be better to discuss why so many talented, hardworking people don't achieve wide recognition, better to face the facts. The truth is more mundane, and has nothing to do with Moira, the Fates, the Goddess of Necessity, or choosing the right daimon in some Platonic heavenly pre-birth caucus. It's simple and it's devastating and it's the dirty little secret everyone knows but no one wants to point out.

Opportunities for world recognition are limited, talent is abundant. World population is so high that demographers estimate that half the people who have ever been born are alive today. Statistically, that's a lot of Shakespeares and Pasteurs competing for publishing contracts and research grants. The crime, the cause of soul-sickness in America, is in refusing publicly and consistently to recognize that the majority of highly talented people will never achieve commensurate recognition and thereby pushing a lot of these same talented people into self-hatred and social pathology. This is not to say that every mediocre, ill-adjusted child is an Einstein — we've suffered enough social decay by entertaining that temptation — but to say that there are a hell of a lot more Einsteins around than Hillman's theories account for.

A lot of hatred of excellence is not arising from true mediocrities who don't care enough to appreciate genius in the first place, but from other talented individuals who must daily confront the inherent cruelty of a society that pretends that hard work and talent is always met with success, that the most qualified person always gets the job, and that there really is such a thing as a "most qualified person" when it's

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usually a toss-up between many equally qualified persons. You don't have to work in any occupation for long before observing that the person who has a great idea and works hard to implement it often sees a colleague with more political clout steal the credit. Does Hillman believe that "touching the World Soul," becoming prime minister of Israel, say, is any less rife with political and human intrigue?

Since Hillman spends hundreds of pages arguing from biographical anecdotes that we choose our own daimon, it is astonishing that two thirds of the way through the book he presents an elaborate defense of great men who deliberately falsify their biographies. One of Hillman's examples is Leonard Bernstein, a rich kid from Boston who lied about growing up in poverty. The daimon "must tell a story of distortions to really tell the truth. The story must be adequate to the exceptionality of genius. The ordinary lot . . . [is] simply not adequate, and probably cause[s] the angel great discomfort." But I thought the angel chose its lot in the first place! You can't have it both ways, the duplicity of mythic vision notwithstanding. You can't claim genius always chooses an archetypal path to success, and then lies about the path if the path doesn't happen to fit the archetype.

But you can do a lot of damage to a lot of brilliant, unrecognized minds. You see there's a lot of very talented poor kids out there who are likely to hear the myth that Leonard Bernstein succeeded in music despite his poverty, will struggle like hell to succeed in music despite theirs, won't succeed due to factors that have nothing to do with talent and everything to do with the Byzantine politics of the music business, and get very bitter against society or see themselves as utter failures because they couldn't pull off what Bernstein (never) did. Some of them commit suicide. Some kill others. Most drag through years of soul-killing misery.

And Hillman wonders why hatred of excellence is so widespread.

A more interesting question is why so many famous achievers feel they must lie by making their early lives sound more wretched than they were, when for thousands of years the tendency of heroes was to claim some kind of divine birth. Charles Dickens's Mr. Bounderby, a great writer's satire on the sort of liars Hillman glorifies, has become the new archetype of success. It seems to me this tendency is one symptom of the privileging of mediocrity in society, or rather, pandering to mediocrity in society, the very thing Hillman claims he's against. This peculiarly contemporary phenomenon needs to be examined, not defended as the prerogative lie of the sensitive daimons of the great.

How about full disclosure in the midst of entertainment industry advertising campaigns of how artists are really chosen for heavy promotion, and how little individual talent has to do with the decision-making process? How about recognition that in the fields of music and literature, the two fields Hillman takes most of his examples from, innovation is more often a recipe for failure than success, because the major mainstream presses and record labels that have the promotional resources to "impact the World Soul" are terrified of putting unique, disturbing, untried visions before the public?

Hillman should understand this, because he writes of careers in politics that "Anyone who rises in a world that worships success should be suspect, for this is an age of psychopathy. The psychopath no longer slinks like a dirty rat through the dark alleys of black-and-white 1930s crime films, but parades through boulevards in a bullet-proof limo on state visits, runs entire nations, and sends delegates to the U.N." Hillman never makes it clear why success in politics is more suspect than in any other field, which makes his whole book suspect, especially when he writes that in terms of examples of successful lives that show the daimon's call, "show business shows this best." Excuse me? Show business? Where artists with genius and integrity are starving for work and demonic mediocrities promoted like there's no hell tomorrow? *Show business?*

Hillman begins his next to last chapter, "Mediocrity," by asking "Can there be a mediocre angel? A call to mediocrity?" His answer is no, there's no such thing as a mediocre soul (after all, someone has to buy his book) but his qualification is chilling and well, soulless. After giving a grudging recognition that many have talent, he explains

why so few of those become great with the biblical injunction, "Many are called, few are chosen." Chosen by whom? He doesn't say, but the contradiction of choosing your own daimon before birth and "being chosen" is embarrassingly obvious.

Hillman offers this sop to the rest of the world who are "called not chosen." "For many the call is to keep the light under a bushel, to be in service to the middle way, to join the rank-and-file."

And this is where I hurl the book across the room.

What about those brilliant artists whose light is kept under a bushel by a skittish music industry that indulges in the nightmarish practice of "shelving" (the practice of signing talented artists that could pose a threat to an already-signed and already-invested-in artist and then keeping the new artist's work off the market permanently) and a publishing industry that informally does the same thing? What is at stake in recognizing that there are more geniuses that walk the earth than ever meet the public eye? Isn't there an archetype of the deity who walks disguised and unrecognized among mortals? This archetype goes utterly unrecognized by Hillman, both literally and figuratively.

Hillman offers three examples of the mediocre soul — I mean, since there are no mediocre souls, those who are "not chosen" — for the rest of us who are "not chosen" to take comfort from, to use as models for our own mundane lives. If you can't be Ella Fitzgerald or Mozart you can follow a more accessible, lower god, but Hillman's choice of gods in this department is passing weird: Governor Dewey, Billy Graham, and Oliver North! The People's Holy Trinity.

His point seems to be that if you can't be great, you can serve one who is, although Hillman, who is no Carl Jung, seems to chafe a bit against his own position in the pecking order of greatness when he asserts that there is such a thing an archetypal style of theory, meaning his own. The *puer* theory, the theory that contains and is an archetype of the "eternal boy," will "limp among the facts, even collapse when met with questioning inquiries of so-called reality, which is the position taken by the *puer*'s classical opponent, the gray-faced king or Saturn figure, old hardnose, hardass, hardhat. He wants statistics, examples, studies, not images, visions, stories."

Hillman is clearly inviting us to see his own theory this way, so I suppose anyone who questions his insight risks being labeled a stodgy old Saturn-figure or worse, despite the Saturnine nature of his own attempt to establish a spiritual caste system that is rigid enough to make a 12th degree ceremonial magician dizzy. Hillman makes it clear that you can't disagree with him and lay any claim to dashing, mythic eccentricity, charm, creativity or plain old fun. He's got a run on the stuff. He, or his theory, is the "eternal boy" of popular post-Jungian claptrap. And that seems to be the telos of his book, the Necessity to which all things tend, or don't tend.

If you want to contemplate your own humanity through a mythic lens, I highly recommend reading Jung, John Ruskin, Walter Pater, Walter Benjamin, Northrop Frye, or Roberto Calasso. They've said these things before, and said them better and more convincingly, with a much more colorful, multi-faceted, truly *puer* vision that embraces all of the gray, maddening, poetic diversity of humanity, a much more difficult thing to accomplish. Their work is of a high enough caliber that its excellence is earned, not assumed.

Hillman, however, writes like a second-hander to his betters who hopes you won't be educated enough to notice the difference. Unfortunately, with today's rampant mediocrity of mind, he's made a safe bet. ❑

***Sheroes: Womyn Warrior Calendar*, by the Organization of Revolutionary Socialist Sisters And Some Men (ORSSASM). Autonomedia, 1997.**

Calendar Girls

Bob Black

What to get for the feminist who has everything (except a life)? This calendar. For every day of 1998 it identifies an exemplary womyn ("We spell 'womyn' to take out the men," the authors explain, in case anyone was wondering). These women — as I shall refer to them in order to get the spell-checker off my back — are the "rebels and fighters against patriarchy, who opposed and fought invaders of their homelands, and who represent radicals and revolutionaries of their times and societies, who" — we are reliably informed — "if they were alive today, would continue to serve as sheroic examples." "Conquerors," "establishment feminists" and such are excluded. *Sheroes* is modelled on Autonomedia's *Jubilee Saints* calendar from which, in fact, many listings have been lifted. These socialist sisters admit to some "problematic selections," such as female monarchs, and they have "also included a few celestial and supernatural females important to a womyn-centeredness." But "most of the womyn contained herein represent the oppressed and exploited masses."

These criteria, however, are easier to enunciate than to implement. In a calendar ostensibly, and ostentatiously, male-excluding, what stands out is how many women are included only because they were the wives of heroes (usually black men). Among them are Cherry Turner, wife of Nat; Nancy Prosser, wife of Gabriel; Eslanda Goode Robeson, wife of Paul; Shirley Graham DuBois, wife of W.E.B.; and Hazel Scott, wife of corrupt Congressman Adam Clayton Powell, Jr. This last listing is especially, as the sisters would say, "problematic," since Powell, like Coleman Young and Marion Barry after him, was basically a jive hustler exploiting black racism for personal profit. Also problematic are the wife of Chinese Stalinist Chou En-Lai and the sister of pro-British Iroquois leader Joseph Brant. Unless "stand by your man" is qualification for sheroism, which is surely not the message the socialist sisters intend to convey, these listings seem a bit, well, ill-chosen.

The socialist sisters insist that "this is definitely not a 'great women of History' celebrity calendar" — thus no listings for the likes of Queen Elizabeth or Catherine the Great — but you have to question some of their calls. Cleopatra, for instance, is improbably cast as an Egyptian nationalist struggling to save her country from "Roman destruction." Even setting aside the fact that Cleopatra was Macedonian, not Egyptian, her way of dealing with the Romans was to sleep with as many of their generals as possible. And the Romans were bent on the exploitation, not the destruction, of Egypt, which, with Sicily, served them as the imperial granary. It was all the same to the fellahin whether Greeks, Romans or Egyptians seized their surplus.

Surely the most mind-boggling listing is assassin Charlotte Corday. As no one would believe any paraphrase I might attempt, I quote the item in full:

> "Never shall any man be my master." French revolutionist in the anti-monarchy Girondist movement. She gained access to the French monarch Marat by pretending that she had news of a Girondin conspiracy and then assassinated him with a kitchen knife. She was arrested on the spot, tried and guillotined 4 days later.

In actual fact, Corday was a Catholic royalist reactionary, neither a revolutionist nor a Girondist. Jean-Paul Marat was a radical republican revolutionary journalist, not a French monarch (that would be Louis XVI, as I would have thought almost everybody knew).

Were not the relentlessly humorless seriousness so conspicuous throughout the calendar, I might have mistaken it for a parody of feminist political correctness, something Rush Limbaugh might have written if he weren't an illiterate moron. The socialist sisters are stridently supportive of indigenous resistance and Third World national liberation struggles, which makes some of their nominations puzzling, to say the least. Such as Awashonks, an Indian woman whose claim to fame, we are told, is that in 1679 she betrayed the Narragansett Indian chief named King Philip "when it was clear that they would lose, at which point she made a bargain to return to peace in exchange for amnesty for her and her followers."

Some other nominees are, so to speak, problematic. Enlisting mythical goddesses to fill in some of the blank spots on the calendar is debatable but not necessarily damnable — but you have to question some of the selections. The Japanese sun goddess, for instance, who is supposedly ancestral to the Japanese emperors, all of them male monarchs ruling over an extremely patriarchal society. It would have made as much sense to list the Virgin Mary. Then there is the ancient Mesopotamian goddess Ishtar: our feminists are apparently unaware that her cult called for the annual sacrifice of a female virgin. The slogan of Brazilian slave rebel Queen Zeferina — "Death to the whites! Long live the blacks!" —

The star system has a masculine bias. This is not the only or even the best reason to be rid of it, but for feminists one would suppose it is at least a consideration.

is not exactly a summons to a rainbow coalition. As for Kali, the Hindu goddess of death: is this maybe taking the theme of female empowerment to an unwarranted extreme? The "ancient Gorgons" such as Medusa are also aboard. Why not a listing for Ilse, She-Wolf of the S.S.?

Several other choices come across as self-incriminating. Aphra Behn, for instance, the so-called "English Sappho" — sorry, sisters, an allusion to her literary talent, not her sexual orientation — is revealed to have been a spy for the authoritarian Restoration monarch Charles II. Artemisia is presented as a Persian sea captain who, in 480 B.C., "devasted [sic] the attacking Athenians." There are any number of difficulties here. The battle of Marathon took place in 490, not 480 B.C. It was a land battle, not a sea battle. The Persians, not the Athenians, got "devasted." The Athenians were not the "attackers," they were fighting in self-defense against the Persian invaders right outside their city-state. It is improbable to the point of absurdity that the virulently patriarchal Persians then, or ever, placed a woman in military command, or indeed in combat. Undoubtedly "Artemisia" — notice that the name is Greek, not Persian — was a propaganda concoction of the extremely misogynistic Greeks to discredit their enemies by impugning their manliness, just as during the Reformation, Protestant propagandists fabricated the legend of "Pope Joan." At the very least, if there was really an Artemisia she was fighting for the wrong side, since, for all its flaws, compared to Persian autocracy, Athenian democracy was a libertarian paradise.

It does not even require a visit to the library to notice how goofy some of these listings have to be. Consider the Cuban heroine "Black Carlotta," born on November 5, 1843, who died, six months before her birth, in May 1843. It is difficult to imagine how much Carlotta could have accomplished in the scant six months prior to her birth. As is apparent from the inclusion of so many goddesses and she-demons, ORSSASM — rhymes with, but otherwise has nothing to do with "orgasm" — has trouble telling fact from fiction. They relate that "at her puberty ceremony," Lozen — an Indian, apparently an Apache — "was given extrasensory power to find the enemy." No doubt every woman needs "a room of one's own," but not a teepee in the Twilight Zone.

Some other female icons, whose existence is not so dubious, nonetheless require — and receive — like Aphra Behn, a coat of whitewash. Frances Willard is acclaimed as a "reform Christian socialist," which is not too wrong, as far as it goes, but it leaves a lot out. Ms. Willard was most important as, for twenty years, the matriarch of the Women's Christian Temperance Union. The mission of this organization, eventually accomplished, was alcohol Prohibition, something not nowadays considered a resounding public policy triumph. After Willard's death, "her legacy was virtually disappeared as a radical idol," whatever that means. The revolutionary socialist Rosa Luxemburg, who by any standard belongs on a calendar like this, is said to have been killed by "a mob of soldiers." That's not quite right. In the wake of the failed Spartacist revolt in which she only reluctantly joined, she and her comrade Karl Liebknecht (not mentioned by the sisters since he had a penis) were arrested — not by soldiers — but by the paramilitary *Freikorps* and unofficially executed. What the socialist sisters conspicuously neglect to mention is that these proto-Nazi goons were in the employ of a *Socialist* regime which was, as socialists always are, determined to suppress any social revolution.

The listing for Dolores Ibarurri, alias La Pasionaria, a member the Central Committee of the Spanish Communist Party during the Spanish Civil War, is similarly off-base. Unquestionably she was a powerful orator, but, contrary to the calendar, she invented neither of the quotations she is famous for. It was a World War I French general who said, "They shall not pass!" And it was Emiliano Zapata who said, "It is better to die on your feet than to live on your knees!" A lifelong Stalinist, Ibarurri may have been a chick but she was first and foremost an *apparatchik*. She shared responsibility for Communist suppression of the anarchists, Trotskyists, left communists and revolutionary socialists in the Republican zone, who were slaughtered by the thousands by their Communist comrades. It should give pause to "Revolutionary Socialist Sisters (And Some Men)" who dabble in history that if they had been active in Republican Spain, La Pasionaria might well have had them shot. Incidentally, the grande dame is listed as still living — a rare tribute! — although she died eight years ago.

On occasion the socialist sisters commemorate collective female accomplishments, which is entirely appropriate, as women have often been better than men at collective action and not so supportive of egotistic grandstanding. Come to think of it, celebrating "Sheroes" looks like getting into a game whose rules were written by boys. Unfortunately — and, I think unnecessarily — the socialist sisters, instead of selecting their own battlefield, take on the boys on their own turf. This may well be the way to go in the end game, but now it is premature. What women have accomplished so far is conspicuously more collective and less elitist than what men usually have. This is not a value judgment, only an observation. It just seems to me that what's worked so far should be worked some more until there is clear evidence that it doesn't work any more. The star system has a masculine bias. This is not the only or even the best reason to be rid of it, but for feminists one would suppose it is at least a consideration. We don't need another shero.

The conscription of goddesses who, after all, never existed, is evidence that the socialist sisters ran short of exemplars. So is the fact that a woman's crossdressing is pretty much all it takes to get her on the calendar. As is the

annexation of social struggles which are misrepresented as Amazonian accomplishments although they were actually carried out by both men and women pursuing common gender-irrelevant objectives such as higher wages and better working conditions. In the *Sheroes* version, for example, "20,000 womyn, both American-born and Eastern European immigrant," went out on strike in Lawrence, Massachusetts in 1912. So did 10,000 men (historians generally refer to some 30,000 strikers). Many strikers were neither American-born nor Eastern European: the largest ethnic group involved were Italian-born. The socialist sisters neglect to mention that only one of the five strike leaders (Elizabeth Gurley Flynn) was a woman and all of them were then members of the more or less anarcho-syndicalist Industrial Workers of the World, which despised and disparaged political socialists such as the ORSSASM babes. The sistren twice get the name wrong, once as the "International Workers of the World" — didn't they notice the redundancy? — elsewhere as the "International Workers of the Worker."

Janis Joplin, we are told, "introduced her generation of Americans to the blues." The socialist sisters, usually so Negrophile, must not consider African-Americans Americans. I would have thought that B.B. King, Howlin' Wolf and a lot of other black bluesmen had something to do with mainstreaming the blues. Nor was Joplin the only white performer singing the blues, let's not forget such all-male bands as the Yardbirds, the Rolling Stones, Cream,

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the John Mayall Blues Band and many more.

This calendar is kitsch, so bad that it's good, like a pet rock or a leisure suit. It should be read by the light of a lava-lamp. PC feminists are so easy to ridicule that a lot of us have given up on the game as unsporting. They are impossible to parody because they have taken care of that themselves. When Catherine MacKinnon writes that "women do not lie," who cannot but be reminded of the Cretan sophist who wrote that "all Cretans are liars"?

In the end the selection criteria remain enigmatic. I have no idea why the sisters left out Harriet Beecher Stowe, Elizabeth Cady Stanton, Gertrude Stein, Voltairine de Cleyre, Mary Wollstonecraft, Lou Salome, Isabelle Eberhardt, Anne Hutchinson, Margaret Fuller and many more. Maybe because they were all, like the socialist sisters, white. If Janis Joplin qualifies, so should Dorothy Parker and Mae West. I have a pretty good idea why they omitted Dora Kaplan, a "womyn warrior" if ever there was one: this Russian Jewish anarchist unsuccessfully attempted to assassinate Lenin. These ladies are lefties. But I wonder why they didn't list Valerie Solanas?

Months ago I dropped a line to ORSSASM pointing out a few of their most egregious errors — such as Charlotte Corday and Black Carlotta — and also asking for citations to the sources of all their listings. Needless to say I got no reply. This calendar is an exercise in mythmaking, a lot of which goes on in our world, but rarely with such obvious contempt for reality.

Sheroes is right down there with the fantasies of Afrocentrism and Amerindian indigenism, but with a much smaller market. You have to be both a feminist and a socialist to keep this stuff down without puking, and there aren't many victims of both these delusions. The sad thing about all this is that it wouldn't be very hard to do a calendar commemorating memorable women which wouldn't have to lie about them or be padded with imaginary deities and super-heroines. There's no need to conscript Xena or Wonder Woman, there are more than enough real women to fill all the slots. Putting in the bogus babes only discredits the real heroines. ❑

The Art of Self-Retrospective

Richard Kostelanetz

Though I must own well over ten thousand books, I've not until recently collected books in sense of trying to purchase everything within a certain category. Most of the books owned by me were obtained for a particular project — sometimes a work currently in progress, other times a project that I did in the past but about which I nonetheless maintain an active interest, and often for one that I am planning to do in the future. In the course of my professional life I've accumulated substantial amounts of 1) contemporary American literature; 2) criticism of contemporary literature; 3) avant-garde literature; 4) book-art books; 5) criticisms of avant-garde art and literature; 6) various editions of books by favorite authors (e.g., Henry Miller, John Barth); 7) books by my friends. In no case are any of these accumulations complete, and I doubt if they ever will be.

My first publication was in a little quarterly that did not pay its authors; and though writing has been my principal source of income for over three decades now, I've continued to contribute to such eleemosynary journals, thinking that the abundance of them is a true index of cultural opportunity in America and thus that my continuing contributions to them constitute my principal charity. (Not all their alumni are so nostalgic, needless to say.)

While my library includes shelf upon shelf of such cultural journals, what I think is more significant is the small collection I've made of the books in which such magazines select the best work to appear in their pages — what I call self-retrospectives. Examples include *The American Scholar Reader* (1960), *Evergreen Review Reader* (1968), and *The Stiffest of the Corpse: An Exquisite Corpse Reader* (1989). Though such books customarily appear in modest editions designed initially for the magazines' loyal subscribers or as special issues celebrating decade(s)-long anniversaries, they ideally give its editors an opportunity to show, better than a single issue, how they want to be regarded by posterity.

Two things I like about cultural journals' self-retrospectives as a subject for collecting are that no one else known to me is concentrating on them and that the number of them can't be too enormous. I own perhaps 150. One problem is that the category is so unfamiliar I customarily must explain it at least twice, even to a bookseller eager to unload his inventory. The category of cultural magazines necessarily excludes commercial magazines. While *The New Yorker* clearly belongs to the latter category, if only because commercial publishers have long been eager to publish collections of anything from its pages, other slick-papered periodicals are more problematic. Apologetically I'll admit to having volumes culled from *Esquire, Sports Illustrated, Rolling Stone,* and *Vogue* among others.

Some retrospectives appear long after the magazine has died. I have *A Dial Miscellany* (1963), *Civil Liberties and the Arts: Selections from Twice A Year 1938–1948* (1964), *Writers in Revolt: The Anvil Anthology 1933–1940* (1973), and *The Smart Set: A History and Anthology* (1966), all of them selected by people other than the original editors. Some of these books appear as a magazine is dying and perhaps dies once the retrospective appears, such as *Between C and D* (1988) and Edmund Carpenter and Marshall McLuhan's *Explorations in Communication* (1960). Other self-retrospectives are paperback expansions of books initially appearing in hardback, so that *Highlights of 125 Years of the Atlantic* (c. 1983) adds several selections to *119 Years of the Atlantic*

(1977) without even mentioning the predecessor.

My collection includes retrospective volumes from art magazines, such as *Flash Art* and *Artforum*, and music magazines such as *Perspectives of New Music* and *High Fidelity*. I have selections from political magazines, such as the socialist *Voices of Dissent* (1958), the pacifist *Seeds of Liberation* (1964), and the conservative *Modern Age: The First Thirty-Five Years, a Selection* (1988) in addition to *Echoes of Revolt: The Masses 1911–1917* (1966) and *New Masses: An Anthology of the Rebel Thirties* (1969). Some magazines publish so little in their lifetimes that publishers are able to produce retrospective books containing everything appearing in their pages, such as *New Individualist Review* (1981) or *Monk's Pond: Thomas Merton's Little Magazine* (1989).

Since I've owned such books long before I regarded them as a category, I'm not sure when my collection of them began. Perhaps the first I owned is *The Esquire Reader* (1960), whose paperback edition I read in September 1962, according to the date after my ownership signature. In it are "Nude Croquet," a Leslie A. Fiedler short story that introduced his first collection a few years later; and John Barth's "The Remobilization of Jacob Horner" that became two separate chapters of his second novel *The End of the Road* (1958) and thus remains important for understanding the evolution of that early work. Similarly, *The Antioch Review Anthology* (1953) reprints Stanley Edgar Hyman's devastation of Edmund Wilson's criticism, which was included in the original edition of his book *The Armed Vision* (1948) but omitted from the most accessible 1955 paperback. A subsidiary value of such anthologies is preserving short pieces that might be unavailable elsewhere.

The first book of this kind that I remember reviewing was *Neurotica* for *Contact* magazine in 1963; the second, for *Partisan Review* two years later, was *A New Directions Reader* (1964), which collected from nearly thirty years of America's most distinguished literary annual. I have continued to review self-retrospectives, not only because of my taste for such books but because they give reviewers a chance, far more true than a single issue, to see what a magazine is really doing. Were I to be asked to exhibit my collection (no doubt abetted by holdings from the host library), the catalogue would be an appropriate place for reprinting some of these notices (and perhaps an expansion of this general essay).

Since certain magazines have survived long enough to issue more than one retrospective, it's not surprising that I have several from *Partisan Review*, four from *Saturday Review*, two from *Harper's*, two from *The Nation*, two from *Antioch Review*, three from *The New Republic*. I suppose that a sensitive scholar of cultural journals could do interesting critical analyses of how a single magazine's self-retrospective in the 1990s differs from that done in the 1950s, say, and how such differences reflect the changing ambitions of its editors. Though the subject of most of these books are contemporary American magazines, I've collected selections from historic journals, such as *The Yellow Book* (British 19th century), and from foreign critical magazines such as *De Stijl* and *Nouvelle Revue Francaise*.

My collection doesn't include hardback books that reissue the contents of a little magazine's special issue, such as *Partisan Review: The 50th Anniversary Edition* (1984), which is entirely new work (even from dead veteran contributors), or Alan Angoff's *American Writing Today: Its Independence and Vigor* (1957), which draws upon a special issue of the London *Times Literary Supplement* done three years before. Similarly the hardbacks *Cross Section* (1944, 1945) and *Zero Anthology* (1958) look like self-retrospectives but actually are devoted entirely to new work. One book challenging this last distinction is John Hendrik Clarke's *Harlem U.S.A.* (1964), which draws mostly, but not entirely, upon a single special issue of the magazine *Freedomways*. (I go with the majority.) I also have, but don't include here, a volume collecting the Southern poet-critic Donald Davidson's contributions to a single magazine.

One book of mine that could belong but doesn't is *Assembling Assembling* (1978), which is a retrospective done for an exhibition of an annual I co-published during the 1970s; but my book is neither a special issue nor a selection but a critical history of the journal written by myself and others. In that respect, it resembles *The Dial and the Dial Collection* (1959), which is also an exhibition catalog featuring a detailed history. Perhaps some of these distinctions are critically untenable, but every consequential collection must be defined as much by exclusions and inclusions.

Like any true collector, I know what I'm missing, beginning with a *Chicago Review* retrospective edited some three decades ago by David Ray, which I remember examining on a remainder table but neglected at the time. I also missed the first *New Criterion* self-retrospective, which I remember seeing for sale on a Greenwich Village street for a few dollars, but ignored out of my distaste for the magazine. Obviously, to be true to my mandate I must have the retrospectives of cultural journals I dislike along with books of those I admire. Should any reader of this essay know of some I should have, please let me hear from you. ❑

Booknotes

Obsolescent Meat — ***Nanotime*** (Avon, 1997, 309 pages), by Bart Kosko, has everything that's good about a thriller (spies, plots, mass destruction) with a few things that rarely infiltrate the fortress of the thriller genre: mad bombers with exploding heads, bloody-minded Sufi mathematicians, and a lovingly detailed description of a full brain transplant.

Nanotime (the concept, not the title) refers to the state of mind of the "chip-head," one whose cerebral cortex has been excised and replaced with top-of-the-line computer processors. The chip-head in nanotime can out-think and outperform ordinary "meat brains," exactly as if the organic characters, stuck in "neural time," were standing still.

Nanotime's world is a dangerous and awesome place. The exponential growth of computing power has made it possible for entrepreneurs (like hero John Grant) to perform feats of molecular engineering never before possible. But it also puts within reach of any government enough high-powered surveilance gear to keep citizens under constant watch, and makes weapons like stealth cruise missiles with 200 IQs so affordable that even Azerbaijan can become a world power. And with the

end of petroleum reserves, the planet is primed for World War III.

Kosko, guru of fuzzy logic and a contributing editor to *Liberty*, has a unique philosophy of prose style. He eschews commas except when grammatically inescapable. Sentences spawn a single clause; then they die. *Nanotime* isn't so much written as it is transmitted, broken down into bursts of jargon that sometimes take on an aspect of poetry.

The overall effect is such that, after putting the book down, I had an uncontrollable urge to buy myself a hoard of gold Double Eagles, as a precaution against apocalypse. *Nanotime* is a thriller so extreme, so apocalyptic, most readers will have to check themselves before going long on oil contracts.

—Brien Bartels

IRA Triumph? — At 9:30 p.m. on August 24, 1985, a fisherman off Ireland's Wicklow coast spotted rubber dinghies moving something onto the shore from an anchored boat. He reported the boat's name and the suspicious activity to local police, who then passed it on to Customs. The next day Customs recovered two dinghies. A cursory investigation concluded they had been used to unload illegal drugs, but Customs neglected to conduct forensic tests. Had they done so, they might have learned that the smugglers carried a far deadlier cargo than drugs. The name of the boat's owner was filed away for future monitoring, but no further steps were taken.

The same boat made three additional offloadings over the next 14 months. In all 135 tons of arms hit the Irish shore, compliments of Libyan strongman Colonel Ghadaffi. The arsenal included assault rifles, anti-helicopter machine guns, rocket-propelled grenades, armor-piercing machine gun rounds, and bomb-making supplies.

The arms shipments made one point clear: the IRA was nowhere near capitulating in its war against British occupation of Northern Ireland. Even so, by the late 1980s both sides recognized the grim reality "that, while the IRA could not be beaten, they could be contained." Faced with an endless war, the IRA altered its strategy. If force of arms alone could not evict the British, perhaps politics backed by force of arms could. Brendan O'Brien documents the events making this transformation possible in ***The Long War*** (Syracuse University Press, 1995, 383 pp.).

The first section of *The Long War* is devoted to interviews and analysis of both Republican and Unionist supporters. The personal testaments combined with excellent narration from O'Brien work to completely absorb the reader in the opening pages. Two distinct sides emerge — pro-British Unionists unyielding in their Britishness, and the equally fervent Republicans who want nothing to do with Britain. These profiles are integral to understanding the conflict, and are gloomy in their outlook. With two distinct opposites competing for power in Northern Ireland, is peace possible?

In the early 1980s the prospects for peace looked hopeless. Reorganized in the late 1970s from a traditional command structure to its famed cell system, the IRA was committed to carrying out military operations indefinitely. The persistent campaign to "sicken the British" had its successes, like the bombing assassinations of Lord Justice Maurice Gibson, Northern Ireland's second most senior judge, and his wife Lady Cecily Gibson. But, as O'Brien points out, many of the IRA's military successes were disastrous for its image.

For the IRA's political arm, Sinn Fein, the image problem became a significant issue as it evolved from a protest-vote party to a legitimate political party. At the start of the 1980s, Sinn Fein was a junior partner to the IRA — hardline militarists had no enthusiasm for diverting precious funds to political campaigns. In 1983 Gerry Adams ascended to the presidency of Sinn Fein and persuaded the Republican movement to adopt electoral advancement as its priority. By 1986, Sinn Fein scrapped its abstentionist policy and fully integrated into the political process. Peace talks starting in the late '80s quieted the IRA, but by no means have the guns been run out of Irish politics. Even as late as May 1, 1998, the IRA refused to disarm, despite the impending vote on a peace accord scheduled for May 22.

O'Brien has created a highly informative book on the modern Republican movement. Numerous maps, charts, pictures, and an appendix complete with extracts from the IRA training manual and various peace proposals, are a welcome addition. Unfortunately, *The Long War* is not strong on long-term history. Readers will have to go elsewhere to understand the roots of Irish conflict. But *The Long War* is a good record of what may turn out to be the final chapter of the struggle. —Jonathan Ellis

The Whole Bach and Nothing But the Bach — It is not unheard of for advocates of private property to argue *against* intellectual property, which is secured in our day by patent and copyright law. The arguments usually run something like this: The things patented or copyrighted are freely reproducible without forceful trespass, therefore not derivable from the idea of liberty in the same way that property in self, land, and tangible goods are. Patent and copyright law thus (so the argument goes) amount to nothing more than special privileges granted to certain people, namely inventors, writers, and composers.

But another function of copyright law became clear to me, recently, while reading Heinz Gärtner's fascinating biography, ***John Christian Bach: Mozart's Friend and Mentor*** (Reinhard G. Pauly, trans., Amadeus Press, 1994, xii + 400 pages). Johann Sebastian Bach's youngest son (christened "Johann Christian," but also known variously as "Giovanni," "Gian Christian," "John Christian," and simply "J. C.," having moved first from his father's household to the court of King Frederick the Great, then to Italy, finally to London) secured, in 1763, a license from King George III to be the sole printer of his own music.

This was not simply to secure a better income. As Gärtner writes, "[t]he popular success of Christian's sonatas soon led to problems in the form of unauthorized (or "pirated") editions, and of inaccurate copies and forgeries" (p. 186). A contemporary of Christian's explained the situation: "Some works by others even appeared with J.C. Bach's name. . . . Others tried to obtain copies of small compositions Abel [a colleague of Christian's] and Bach had written down for their students; also quartets, trios, etc. that they had composed for various recipients. These people would assemble them, have them engraved, usually with Bach's name on

the title page, and sell them. Such editions then were reprinted and circulated as authentic compositions, violating the honor and good name of both composers" (Carl Friedrich Cramer, *Magazin der Musik*, 1783–1786, quoted in Gärtner).

In his day, Christian was the most popular and respected Bach (his father was considered quite old-fashioned). The royal license protected more than his income, it protected his reputation from duplicitous mediocrity and his fans against fraud. The decree sidestepped the horrendous transaction costs involved in prosecuting at common law each instance of fraud and theft. And we are much better off today because of this one thing King George III did, years ago.

I've not studied the question of intellectual property very thoroughly, but instances like this make me skeptical of the "pro-property rights" case against patent and copyright.

—Timothy Virkkala

Grabbe, "An Introduction to Digital Cash," *continued from page 46*

tamper-resistant hardware (in the form of a smart card, for example), and a more sophisticated cryptological protocol. The tamper-resistant module in the card is used for authorization, although not necessarily for authentication. (It can be both, by requiring the user to type in an identifying password before authorization is made.) Because the authorization server (tamper-resistant module) in an off-line system is mobile, it is analogous to a small portable bank.

Value can be stored in various ways in off-line systems, using devices that are variously called stored-value cards, electronic purses, or electronic wallets. Money is stored in these devices as a number, just as one's checking account or similar balance in a local bank is a number in the bank's computer. In the simplest form ("balance-based system"), such a device records a number and a currency designation, such as "$1000," in a numeric register. Then upon spending, say, $25, the stored value is reduced by this amount, leaving a stored value of "$975."

A second way of storing value is to store "coins," each of which is identified by a set of numbers which constitute the signature on the coin. That is, each coin is a message bearing a digital signature, which is stored in computer or smart-card memory as a set of 0s and 1s. The total value stored is therefore the sum of the coin values. But one can only spend a coin by transferring its signature to another person. (The use of "blind signature" protocols allows transactional anonymity to be maintained even when a signature is transferred.) A payment of $25 might involve the transfer of five "$5" coins, each bearing an individual signature.

A third way of storing value is to store a "balance" number, along with a series of uniquely identified transactions, called "electronic checks." Unlike the coin-based system, the size of each check is not predetermined. Under this system, the "$1000" value would be stored and compared against an electronic check withdrawal of, say, $31, where this electronic check has been assigned a unique signature reflecting the parties to the transaction and the currency amount.

In anonymous digital cash systems, the distinction between on-line and off-line systems is especially important, because of double-spending.

Double-spending refers to fraudulently spending the same money twice. Because digital cash is computer data, it is easily copied (counterfeited). If digital cash can be copied and spent twice, then it can be copied and spent *n*-times (multi-spending). Digital cash is digital data that has been cryptologically processed in certain ways. But it is still data, and all the 1s and 0s in the cash string can be copied to another string.

On-line systems typically keep a record of digital cash (digital coins) that has (have) been spent, and hence do not authorize transactions involving previously spent money. This runs into the problem that the database grows over time, which creates issues of storage and access time. (The NetCash system operated by NetCheque[9], however, only records coins that have not been spent yet.)

By contrast, off-line anonymous digital cash systems frequently rely on exposure as a preventative measure: the otherwise anonymous identity of the spender is publicly revealed by double-spending. One way of doing this is that, before accepting an off-line payment, the merchant will issue an unpredictable challenge to which the customer's equipment must respond with some information about the digital cash signature. By itself, this information discloses nothing about the customer. But if the customer spends the note a second time, the information yielded by the next challenge gives away his identity (or his secret key) when the cash is ultimately deposited. (Recall from geometry that two points determine a straight line. Double-spending creates two "points," and the slope of the resultant line might be, for example, the customer's secret key. A single point, by contrast, will not yield any information about the secret key. This principle is used in Schnorr authentication[10].)

Some off-line systems go further and attempt to prevent double-spending at its source, using tamper-resistant hardware (called an "observer"). Such a solution is not simply hardware-based, however. It requires a carefully thought-out cryptological protocol. A significant aspect of Stefan Brands's digital cash system is that the on-line system is a self-contained subset of the off-line system, and the data and computation requirements of the system are sparse.

The typical "wallet with observer" is a smart card containing cryptographic routines in its integrated circuit (IC). Smart cards were originally created for use with French telephones. Since 1986 the company SGS-Thompson has sold more than a billion smartcard ICs. The basis of smart card data storage is "non-volatile" memory, meaning that the chip can retain data even after power to it is shut off. The smart card also contains logic devices and controllers that connect the memory chip with the outside world (with electronic card readers, for example). The best cards use EEPROM (Electrically Erasable Programmable Read Only Memory), a type of non-volatile memory which can be repeatedly reprogrammed, thus allowing account data or monetary values to be repeatedly updated.

The hazards are many. It would be a mistake to think that the dangers of

criminal activity in digital cash were only from individuals. A *framing attempt*, for instance, is a fraudulent bank claim that a customer has double-spent the same piece of cash when the customer hasn't. A good digital cash system should protect customers from bank framing, just as it should protect the bank from double spending by customers.

There are many hurdles for digital cash to vault over before it becomes common. Consider: just how reliable can such a system be? Inevitably, digital cash must share with physical cash some of its defects as well as its advantages. If you send cash through the mail, the letter can be lost, or the cash stolen by a postal employee. Digital cash is similarly sent through a communications network, which might be Internet email or another computer network such as Fedwire. Digital cash that is encrypted with the public key of the person intended to receive it is hard to steal: no one else will be able to read the message and determine whether it is $1,000 in digital cash or a sexy note from a girlfriend. But the message might *still fail to arrive at its intended destination*, just as an ordinary email message can bounce or disappear into the great Internet void. It is hard to argue that a cash system is reliable if the transport system it uses is unreliable, or if one cannot determine whether digital cash has arrived safely at its destination.

Love digital cash or hate it, the pressure of transactions costs will make digital cash, and electronic banking in general, an important part of any future banking system. Whether increased computerization will lead to a diminution in privacy is a matter of technological choice. Nothing is written. Nothing is pre-determined. ❑

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Terra Incognita

U.S.A.

Proposal to strengthen American families, from psychologist John Gray, from an interview with *TV Guide:*

I think it should be made more difficult to get married. People should be required to go through a course of study to learn how to communicate successfully, then pass a test that's approved by the state.

Vatican City

Scientific discovery reported by the *Binghamton Press and Sun-Bulletin.*

Human cloning would not result in identical souls because only God can create a soul, a panel set up by Pope John Paul II has concluded.

Seattle

Advanced politics of the Pacific Northwest, as reported in the *Seattle Times*:

Seven Seattle City Council candidates showed up for something different: the first ever Candidate Karaoke night.

Maui, Hawaii

Curious religious custom in America's little bit o' Polynesia, as reported in the *Maui News.*

The Maui Religious Science Center will present spiritual healer and teacher Gayook Liou in a healing service from 10 a.m. to 1 p.m. Saturday, Feb. 21.

The service will consist of lecture, prayer and laying on of hands. There is suggested advance donation of $20; $25 at the door.

Beijing

Science broadens its focus, as reported by Reuters:

At a world population conference in Beijing Wednesday, an academic from Ghana presented research on family planning based on interviews with the dead.

Using soothsayers, Philip Adongo asked village ancestors for advice on the ideal size of a family in a tribal area of the west African nation. "If I only heard from the living, I wouldn't get a very good balance," he explained. "This study has been the first to be conducted of respondents who are deceased."

The study concluded that small families worked better in a modern society.

Boston

Further evidence that government institutions, unlike private enterprises, are able to engage in prudent, long-term planning, as reported by the *Boston Globe:*

Boston's transit authority, the MBTA, "faces a 'year-2000' problem. That is when computers programmed only for dates in the 20th century may shut down or go bonkers because they will not recognize the shorthand '00' date as 2000. . . . the MBTA board directors approved a . . . five-year program to fix the problem."

Randistan

Cutting-edge work in cultural analysis, from the "Second Renaissance" book catalog:

Edwin Locke's tape on the "psycho-epistemology of the Arab world" explains "why the Arab world is characterized by poverty, internal conflict, and hatred for the West." Locke's tape accounts for "the historical development of the Arabs' core ideas — including the premises that led them, aided by a 'reverse Aquinas,' to reject the philosophy of Aristotle at precisely the time that the West was accepting it."

Sioux Falls, South Dakota

Gov. Bill Janklow's response to assertions by his Libertarian competitor that in "30 years of a war on drugs, the use, price and availability of illegal substances has increased," as reported by the *Argus (South Dakota) Leader.*

Janklow said the war on drugs may fail. "But we're going to fight the hell out of it anyway," he said. "It's missionary zeal with me."

Buenos Aires

Latest episode of *Yanqui* cultural imperialism, from *The Lancet.*

Visitors should also beware of the Madonna and Hillary Clinton lookalikes among the sex workers who frequent the streets of the fashionable St. Martin's area in the mid-afternoon looking for business.

Herndon, Virginia

Appalling threat to the virtue of college women — and to the Beltway — as reported by the Honorable Helen Chenoweth (R-Idaho):

"My heart breaks when I think of how feminists exploit our brightest girls' youthful innocence. . . . [O]n virtually every college campus feminists pound their anti-male, anti-free enterprise radical lesbianism, into the heads of young women. These young women then graduate college and flood Washington as congressional and White House aides."

Portland, Oregon

The war on drugs marches on, according to the *Albuquerque Journal*:

A 13-year-old boy who says he just wanted minty fresh breath has been suspended for violating his school's alcohol policy. Adam McMakin was suspended for a week after a security guard at Parkrose Middle School saw him with a bottle of Scope.

U. S. A.

The right does its bit to fight air pollution, from a flyer from the Conservative Book Club:

This is the club that is, quite literally, a breath of pure, bracing air if you've ever felt suffocated by the stifling (dare we say *polluted*?) atmosphere in American publishing today!

(Readers are invited to forward newsclippings or other items for publication in *Terra Incognita.*)

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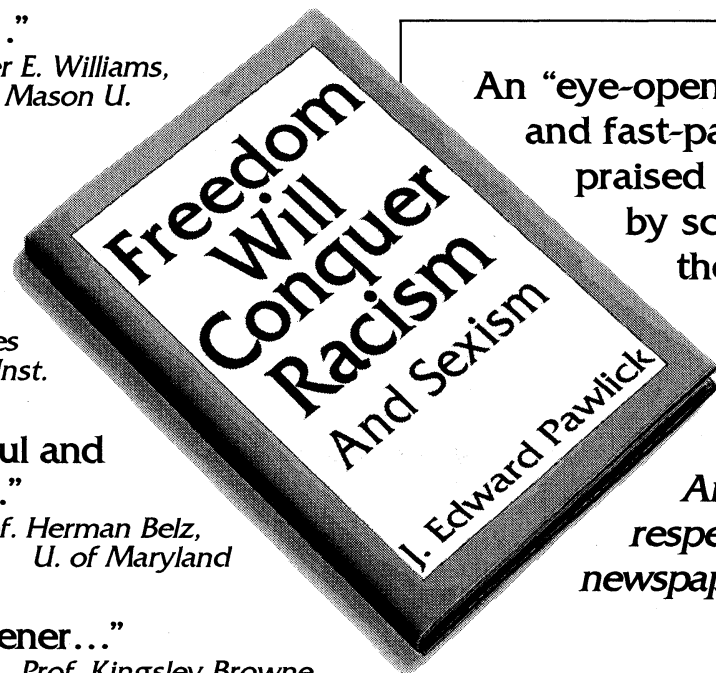

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