

# Liberty

March 1997

Vol. 10, No. 4

\$4.00

Bill Clinton,  
Welfare  
Dad

## Marijuana Sellout

*by Thomas S. Szasz*

## Planning for Freedom

*by Harry Browne*

## The GOP's Drug Money Connection

*by Kenneth Lee*

## Truth and "Sexual Correctness"

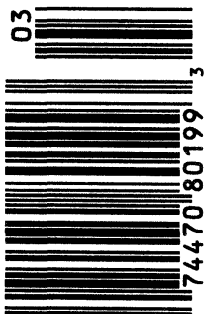
*by Ginny NiCarthy*

## Revolution in a Small Country

*by R.W. Bradford*

**Also:** What's wrong (and what's right) with Charles Murray and David Boaz, Congress's newest extremist speaks out, the feminist fixation on Foucault, and Clarence Thomas's low-tech lynching . . . plus other Articles, Reviews, and Humor

*"Equal liberty is the essence of equity." —Charles T. Sprading*

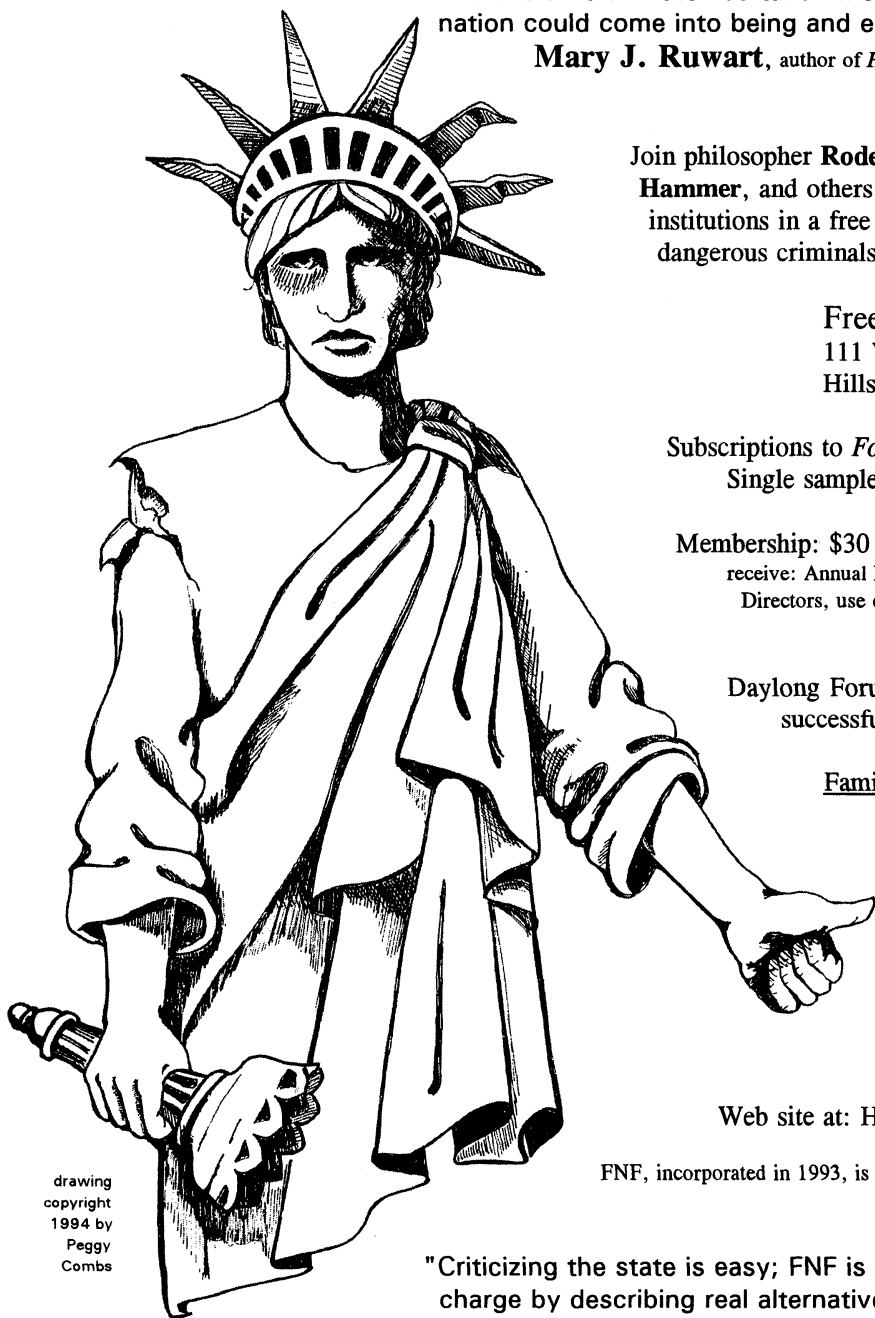


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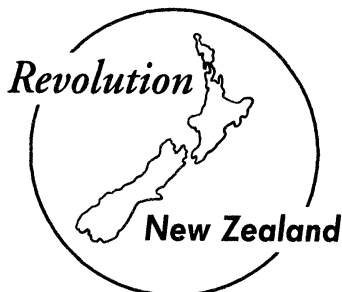
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# Letters

## Government Slut Babes Bare All

With titles like "Whores Of The Art World" and "Child Porn and Free Speech" emblazoned across the front cover of last month's issue, who needs tact? Certainly not a small but innovative publication seeking to expand its readership.

Tell you what: if you really want to go for some raised eyebrows, why don't you get Larry Flynt to send in some sleazy photographs. You know — real pornography. And run them in your next issue with something like "Government Slut Babes Bare All!" on the cover.

Believe me, it would give new meaning to the word "liberty."

Tom Menendez, D.C.  
Sellersburg, Ind.

## Artists Are Special People

I have felt the same discomfort Jamie McEwan ("The Art of Living, and Living on Art," January 1997) has regarding the apparently small numbers involved in government arts funding, and I am also disgusted by the childish, arrogant sense of "entitlement" that radiates from our welfare artists of late.

But McEwan advances nobody's cause by trotting out the shibboleth that "everyone is an artist," an idea so tired and so obviously untrue in any meaningful sense that it does more harm than good to his argument. True, today's artists are too fond of inflating their own importance to the level of self-anointed shamans responsible for giving our communal life profound meaning, imparting that "unique, mys-

tical quality" we all crave. The remedy for such arrogance is not, however, to assert the supposed egalitarianism of the aesthetic dimension in daily experience. Such art-egalitarianism is partly to blame for the shallowness of modern American culture, a tacky culture that does not see an intrinsic difference between a Rembrandt portrait and Elvis on black velvet.

Not everyone is an artist. Art is a distinct cultural activity, qualitatively and functionally different from directing traffic or flipping burgers (however "beautiful" those activities may occasionally be). Art is "elitist" by nature, but as Robert Hughes has observed, it is "an open elite" capable of being entered by anyone who takes the time to appreciate what it's about. Claiming that "everyone is an artist" simply because many activities have an aesthetic component is specious; it is like saying that everyone is a molecular biologist because he lives in a world made up of molecules.

Clifford Davis  
Wilmore, Ky.

## Artists Are Special People II

Contrary to your writer's opinion on the subject, artists *are* special and deserving of society's support; otherwise our culture is doomed to failure. Artists are not like most people and do have special needs, and this has been and always will be the case, regardless of prevailing social attitudes. Artists shed light on the human condition, a task which is vital to any sane, vibrant culture.

Unfortunately, libertinism or selfishness is what is professed here, something that should have been outgrown in the nursery. Furthermore, I urge all of you who once had genuine ideals for humankind to give up this me-first, cynical philosophy and return to earth, which is inhabited by human beings, a system of cause and effect and hope.

Mary Bronstein Cantoral  
Warrenville, Ill.

## A Tautology Is What It Is

In the September 1996 *Liberty* Nathan Crow wrote of the practice of making the presence of HIV a necessary condition for a diagnosis of AIDS: "This

might sound at first like a statement that is true merely by definition." Unfortunately, however, this doesn't just *sound* like a statement that is true merely by definition; it *is* a statement that is true merely by definition.

Defining AIDS in terms of the presence of HIV and then saying that HIV causes AIDS confuses a logical truth with an empirical hypothesis.

It won't do to respond that clinical definitions are chosen for their predictive value. A definition, by itself, has no predictive value. It is a set of empirical hypotheses, taken together, that is valuable for making predictions. Of course, if the vast majority of people who are HIV-positive develop AIDS and the vast majority of people who are HIV-negative do not, then the presence of HIV is important for a given patient's prognosis. It isn't necessary to define AIDS in terms of the presence of HIV. You can define it in terms of an opportunistic disease combined with a long-term low T-cell count. That would leave open the question of why a tiny fraction of HIV-negative people develop AIDS and why a tiny fraction of HIV-positive people do not. Further research, however, may answer these questions without refuting the hypothesis that HIV is, by far, the most, common cause of AIDS.

It seems better to admit that we can explain most, but not all, cases of AIDS than to confuse a definitional truth with an empirical hypothesis and deceive ourselves into thinking that we know more about this disease than we actually do.

Tom Avery  
Brooklyn, N.Y.

## The Truth Isn't Out There

Why does Dominick Armentano ("The Truth Is Out There," November 1996) want to believe that highly evolved beings, capable of traveling light years, did so just to make funky patterns in some farmer's field on our cosmically insignificant planet?

Tim Stadler  
Boise, Ida.

## Crimes of Definition

Much as I appreciate Jesse Walker's review ("Beyond the Culture Wars," January 1997) of my book *Crimes of Culture*, I'd like to quibble about one crucial word. He classifies me with "a

## Letters Policy

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

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# Reflections

**Off target** — The law restricting free speech on the Internet wasn't the only law Congress enacted last year against exercise of the rights guaranteed by the Bill of Rights. On September 28, that august body passed an appropriations measure that included a law prohibiting ownership of so much as a squirrel rifle or a single .22 caliber cartridge by any individual who has ever been convicted of a misdemeanor involving the use or attempted use of physical force. The measure's sponsor, Frank Lautenberg, explained its rationale to his fellow Senators: "My amendment stands for the simple proposition that if you beat your wife . . . you should not have a gun."

Of course, the measure does far more than that. It takes away a right guaranteed by the Constitution from a whole lot of people who never beat their wives at all, people who maybe got in a fight while a teenager or were in the wrong place at the wrong time and pled guilty to a misdemeanor rather than go to the trouble of hiring an attorney and contesting a wrongful charge.

It turns out that one high-pressure occupation includes an awful lot of men who have had a problem with domestic violence. You guessed it: cops. And, thanks to a unique amendment, the measure will cover them as well. In an unprecedented move, sympathizers with the Bill of Rights managed to add an amendment to the measure specifying that, unlike other gun control laws, it would apply to law enforcement officers as well as other citizens.

How many will be affected? Well, in a *Wall Street Journal* article, James Bovard quotes Victor Kappeler of the Criminal Justice Graduate Program at Eastern Kentucky University to the effect that as many as 10% of the nation's law enforcement officials might have their guns — and their livelihoods — taken away from them. Oops!

So what effect will the law have? For one thing, when a cop decks his wife, she'll be reluctant to report the incident to the authorities, since it will also cost him his job. —RWB

**You may now unfasten your seat belts** — Living as we do in the Great American Police State, it often seems that every conceivable act is either forbidden or required. Imagine my exhilaration, then, when I stumbled upon a press report identifying one remaining act the authorities permit us to take or refrain from taking as we please.

According to a *Chicago Tribune* story, "No FAA regulations prohibit people from engaging in sexual intercourse in the sky." Of course, there is a proviso, "as long as the activity does not interfere with the safe operation of the aircraft." Leave it to the bureaucrats to cover every angle.

The revelation of this heretofore unsuspected freedom appears in a story about a charter aircraft service in the San Fernando Valley that takes couples aloft for an hour in a suitably equipped flying boudoir, giving them the opportunity to join the Mile High Club.

Of course, in America no good time goes unresented. It seems that, down on the ground, the spirit of Puritanism is alive and well. Contemplating the business known as Mile High Adventures, one Encino householder complained that "people are fornicating over our city," adding incongruously that the innovative charter service "is not the kind of thing that they should be flying out of our bedroom community."

Spoilsports be damned; this news is cause for celebration. The Federal Aviation Administration, one of the most paternalistic of all government bureaucracies, has on this occasion somehow managed to take a position that recognizes people's right to decide for themselves even though they may fuck up. —RH

**No low-tech lynching** — Clarence Thomas had initially agreed to speak at the closing banquet for the Festival for Youth in Delmar, Maryland, on January 18. He changed his mind when he learned that the NAACP planned to protest his appearance because they don't like his right-wing views. The left has been living on these kind of victories for years now. It just shows that if you simply put a conservative in a situation which even appears difficult, he will surrender unconditionally.

"I do not think that it is prudent or wise to put these children in that position," Justice Thomas explained. He did not explain how it is "prudent or wise" to leave these children a country in which any leftist group knows that it can silence a public figure simply by threatening to protest his appearance. —CB

**Roll out the bail-out** — The chirpy Brits at *The Economist* are having a good laugh at the "doomsters" who, following Mexico's financial crash, predicted the end of the "emerging-market phenomenon." After an interregnum of caution, "bond issues, in particular, are booming."

Well, of course. The lesson financial markets learned from the debacle is that the American government will go to any length to bail out rich American bondholders. Thus, in the long run the Mexican collapse has proved a blessing in disguise. Under the previous, faux-democratic dispensation, a public curiously reluctant to have its pockets picked of \$50 billion might require some debate. Unpleasant questions could be asked. But now this glitch has been mended: the IMF will double its \$25 billion emergency credit line for impetuous regimes. O happy day! A guarantee of profits to wealthy First Worlders, and a guarantee of reckless financial practices by Third World governments.

This, to be sure, is nothing new: as Roberto Salinas León noted in *Perpetuating Poverty*, Mexico spent \$34 billion to service foreign debt from 1989 to 1992 — "equivalent to 97 percent of total foreign investment in the same period." Much of that debt-service went to pay for World Bank-sponsored

boondoggles that enriched the coffers of the Institutional Revolution Party and its favorites.

Their gain is our loss, and a loss for ordinary people south of the border. Our government has saved the investments of the rich, but it has not saved Mexico's economy: outside of corporate utopias like Tijuana and Ciudad Juarez, unemployment continues to ravage the country, crime rates are reaching near-American levels, and the formerly feckless Zapatista movement is suddenly a plausible threat.

The American press has here (as everywhere) neglected to supply an historical context for the Clinton bailout. The pirate powers used to send troops to deal with these problems. When Napoleon III installed his hapless cousin Maximilian as emperor, the imperialist coalition declared, as H.B. Parkes relates, that the soldiers were "to offer 'a friendly hand'"; they told the Mexicans that they had arrived "to preside at the grand spectacle of your regeneration." What "regeneration" meant in 1862 was forced payment of the Mexican government's debt to French bondholders — with the expenses of the occupation borne by French taxpayers and conquered Mexicans, and its benefits accorded to a privileged class.

Since then, of course, less crude methods have been found. But the U.S. still has no business insulating the government of Mexico from the justifiable wrath of the Mexican people. If bonds are "booming," it is largely because our rulers are willing to secure Mexican politicians' fortunes along with those of their corporate allies north and south. So the return of "emerging markets" in pyramided debt subsidized by U.S. and Mexican taxpayers may not be the good news for us or the Mexican people that it self-evidently is, as *The Economist* notes, to the "hundreds of bankers and financiers descending on Washington" for the IMF's annual meeting, where further plans will be laid to secure a world with socialism for bureaucrats and the rich, and "markets" for everyone else.

—NC

**Tyrant on a stick** — Inexpensive tastes are one of life's greatest blessings. I have several. One of them is a taste for truly absurd political leaders.

This, indeed, is a taste that is easy to satisfy. What a meal Brezhnev was! And he could be enjoyed for nothing. At least I could enjoy him for nothing; I'm not talking about the Great Soviet People, who had to pay for him at artificially high, monopoly prices. Then there was Erich Honecker, and those guys in Nicaragua, and Idi Amin — how different, yet how delightful! And the quaint family groups: the Perons, the Maos, the Castros, the Gandhis, the Ceausescus, the Duvaliers — inexhaustibly delicious!

I am willing to enjoy even such a trite little dish as Mobutu Sese Seko, President of Zaire. While his country more or less fell apart, Mobutu was holed up in Switzerland, where he endured an operation for prostate cancer. (I'll bet they didn't call it "prostate cancer" in the Kinshasa papers.) Funny, isn't it, how the benefactors of their nations can never find proper medical care back home?

In any event, home Mobutu came — and home I come to the point of my reflection, which is an article that went out over the Knight-Ridder News Service, reporting on

Mobutu's glad arrival in the chief city of his realm. The article was written by Andrew Maykuth, a person for whom the All Powerful Warrior appears to have no charms at all.

Maykuth's reporting is cruelly factual. He depicts Mobutu returning "to the disintegrating nation he has looted during his 31 years of autocratic rule." How crude! This correspondent takes absolutely no time to savor the Third World hero. Maykuth just comes right out and says that Zaire is "a nation impoverished by a bankrupt government." He adds, dismissively, that Mobutu announced "he would work toward a democratic transformation, which he has been promising for the last six years." Even the local scenery is mobilized to make a case against the president's Inflexible Will to Win (as it is known in Zaire). Describing the path of "Mobutu's manic motorcade," Maykuth says that

workers had cut the knee-high grass along the route and patched potholes, a major accomplishment. Most streets in this sprawling city of 5 million have been neglected so long that they have become undulating lanes of dust and trash connecting small islands of asphalt.

Maykuth has his suspicions about the very sincerity of Mobutu's reception:

Members of his ruling party resorted to extraordinary measures to give their president a hero's welcome. Hundreds of thousands of people lined the motorcade route — many among them attracted by beer or small cash handouts.

Others were simply curious to view the head of state and national father figure . . .

Of course, no political figure is too absurd for those who want to believe in him. Maykuth reports that some Zairean citizens regard Mobutu with "disdain," but others think that his return will cause "Zaire's currency to strengthen, corruption to end and the economy to be restored."

Come on, Andrew; isn't that just the least bit entertaining?

All right, all right. Mobutu is a horrible man, and he's undoubtedly done horrible things to his poor country. On the other hand, do news stories really have to turn into sermons, even when they're directed at so obvious a target as Mobutu?

And think of this: What would happen if a Zairean reporter decided to give the same treatment to the smug First-Worlders?

Would the Zairean correspondent in Washington report with sound and absolute accuracy that "President 'Bill' Clinton, the scandal-ridden head of the world's largest debtor state, returned to his decaying capital from one of his obsessive rounds of glad-handing in a distant continent"?

Would the correspondent mention Clinton passing through the dust and trash of the District of Columbia?

Would he tell his readers that thousands of slack-jawed curiosity-seekers lined the route of the president's manic motorcade, or observe that the audience was attracted by the aroma of sleaze and the prospect of welfare handouts?

Would he mention the fact that there are actually Americans simple enough to believe that a second dose of Clinton will cause the U.S. currency to strengthen, corruption to end, and the economy to be restored?

Would he allude to Clinton's promises of

### Liberty's Editors Reflect

CB	Chris Baker
RWB	R.W. Bradford
SC	Stephen Cox
NC	Nathan Crow
RH	Robert Higgs
RHN	Robert H. Nelson
JW	Jesse Walker

a balanced budget and an era of prosperity for all Americans, then make sure to notice that these are promises made many times before?

Would the Zaireans be invited to sneer at our head of state and national father figure?

On second thought, maybe the Zaireans are already sneering. And maybe we could use some of that factual Zairean reporting in our own local papers. —SC

**You have entered the Canal Zone** — *The Weekly Standard's* recent brief for the U.S. empire's presence in Panama offers an extraordinary glimpse into the right-wing mind. It isn't just historically inaccurate, as any plea for imperialism must be. It isn't just supremely arrogant. It's funny. The Canal Zone "'was a paradise,' sighs a third-generation Zonian" quoted in Thomas DeFrank's article. "The entire zone . . . resembled one enormous golf course." DeFrank, believe it or not, is trying to be serious. It escapes his notice that the "paradise" he is describing is a socialist state vaguely resembling the imaginary English village invented by Edward Bellamy in *Looking Backward*. DeFrank does note, approvingly, that the Zone was run by "the Panama Canal Company, a U.S. government agency."

As it progresses, DeFrank's paean to military socialism grows more bizarre. "The Canal Zone was a Little America . . . Main Street, U.S.A., circa 1930," he gurgles. In the manicured vistas of DeFrank's wet dream, America before Franklin D. was one big company town; and in the Zone, "the company handled everything." The joyful enclave came to wrack and ruin with the Carter era, when services were privatized, the greasers bought up U.S. government properties, and the high school students' hangout was "taken over by the Panamanians, who jacked up the prices so high the kids stopped going." Sob.

But that is the least of the natives' crimes. Their presumption now has no limits, and the government has recently begun renaming the streets, replacing the names of heroic American engineers with those of Omar Torrijos and other gringo-haters. Even more offensive, the Panamanian who owns the local McDonald's franchise (can you believe we let them *own* things?) had the temerity to post a sign for his restaurant at an empty railway station.

The real purpose of DeFrank's piece finally emerges: to support Clinton's plan to keep 4,000 U.S. soldiers on Panamanian soil. The Panamanians, he notes, "abolished their army after" American troops had rescued the population from Manuel Noriega's dictatorship. (He fails to note that Noriega was a CIA employee backed by U.S. military power — one who, until he began suffering from delusions of sovereignty, bore approximately the same relation to Reagan/Bush that Jaruzelski did to Brezhnev/Gorbachev.) So U.S. troops are needed. They will prop up Panamanian "democracy," which, DeFrank notes, is "tender" and might be threatened by "Colombian drug cartels." (Colombia itself has benefited from American semi-occupation these many years; the benefits to democracy and freedom thereof are too well known to elaborate here.) He does not mention that the present Panamanian regime, like that of his American-installed predecessor Endara, is already implicated in the drug trade. The General Accounting Office reports that the drug trade "may have doubled" after the invasion.

Fortunately, there is hope. The country is now run by, rather than merely for, an "American-educated banker." Perez Balladares hopes to fend off domestic "nationalists," who are demagogues inciting Panamanian proles to believe they can govern themselves. Hence, negotiations for continued U.S. occupation have been stalled by the banker and his clique, who have not yet adequately "prepared their electorate" for the notion that, having abolished their own military, they should keep a foreign power's troops on their soil. (A few paragraphs later, DeFrank claims that Panamanian pollsters recently found that three-fourths of the population wants the U.S. to stay. *The Weekly Standard* trucks with consistency as little as it does with reality.)

DeFrank's piece manages to ignore the history of how the U.S. government stole the Canal Zone by ripping off the single most valuable chunk of Colombian real estate and inventing the country of Panama, how it ordered its puppets to sign a "treaty" depriving the new country of any significant profit from the Canal, and how the treaty was finally revised to allow Panama to pay off billions of dollars squandered by the government with the help of loans from American banks. He swallows whole the bizarre fantasy of the U.S. heroically rescuing Panama from Noriega. To him, a Panamanian's desire to say good-bye to Uncle Sam is just the weird macho posturing of a spic. No wonder. If there's anything that emerges clearly from DeFrank's piece, it is his kind's unwillingness to consider dark-skinned foreigners — their feelings, thoughts, history — as worthy of respect, or even notice.

Any gringo voice, by contrast, is gospel. For an authoritative view of the history of and conditions in Panama, the author consults an American "high-school junior pumping iron at the Balboa fitness center," who remarks that "we [sic] ran this country for them, and now they've run it into the ground." The irony here is that the lad is half right: "We" indeed ran the country for them, and no doubt outside the colonial village it is the violent, despairing, semi-feudal basket case of our nightmares. After almost a century of Uncle Sam's hegemony — including 14 occupations/interventions since 1903 — Panama is a mess. That this might give its people good reason to suspect "our" intentions never occurs to DeFrank, who seems not to have interviewed a single Panamanian who is not a politician, the one exception being a security guard who tells the reporter that "stripping [i.e. looting] is our national sport."

Perhaps the most grotesque irony of all is that this candid



"Sorry — I'm not that sort of person."

Gurkha is standing watch over the remnants of the "School of the Americas, where the U.S. Army once trained thousands of Latin American soldiers." And sent them off, DeFrank does not note, to Guatemala, Chile, El Salvador, Paraguay, etc., to murder and torture ordinary people.

Continued "prosperity depends on [the U.S. military's] staying," DeFrank concludes. But so long as Panama is dominated by a foreign power that finances its dictators and kills its citizens at will, "prosperity" will remain as anemic as DeFrank's apology for colonialism. The U.S. has done what it could to wreck Panama's profitable banking system by forcing the country to allow the DEA to snoop into customers' records. And years of American rule have erected an economy based on serving the needs of relatively affluent American soldiers. If Panama goes it alone, it's true, her people will at long last have to develop a real life, free of servitude to a corrupt and hypocritical empire.

Maybe that's a task beyond Panamanians' abilities. But whether it is beyond the abilities of Thomas DeFrank and the editors of *The Weekly Standard* is no longer in doubt. —NC

### **Anti-Semitism at FEE?!? —**

On November 21, economist Israel Kirzner resigned as a trustee of the Foundation for Economic Education, the semi-libertarian institution that publishes *The Freeman*. He was protesting two articles that he deemed anti-Semitic: a December essay on Arab terrorism by Robert McGee and a November book review by Hans-Hermann Hoppe.

Six days later, FEE president Hans Sennholz fired reviews editor Robert Batemarco and removed Robert Higgs and Lawrence White, the guest editors responsible for the two offending issues, from his magazine's masthead.

I do not usually read *The Freeman*, having exhausted my appetite for dull restatements of basic libertarian positions sometime in my late teens. But my curiosity was piqued. I got hold of the two controversial essays and scoured both for anti-Semitism. I found nothing: no generalizations about Jews, no anti-Jewish stereotypes, no excuses for the bigotry of others. Certainly, the two pieces had problems: neither was very well-written, and McGee's smacked of special pleading. But there was nothing

# *Liberty Live . . .*

Intellectual sparks flew at "Cultivating Liberty," *Liberty's* 1996 Editors' Conference.

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bigoted in either — certainly nothing offensive to me as a Jew.

So what had offended Kirzner? In McGee's case, that he criticized Israel's anti-Arab policies. In Hoppe's, that he stated, in the course of an article about something else, that Stalinist Russia in peacetime was more totalitarian than Nazi Germany in peacetime. That's all.

If Kirzner's reaction is odd, Sennholz's is downright bizarre. It seems difficult to believe that a man who would publish a positive review of J. Philippe Rushton's racist IQ theories would find McGee and Hoppe's mild opinions insensitive. (Rushton is the man who believes that there is an inverse relationship between intelligence and penis size, and that blacks tend to excel at the latter.) Perhaps Sennholz was simply upset at losing his association with Kirzner, an eminent economist. But Higgs and White are eminent names as well. If Sennholz is worried about losing respectability, why compound the problem by breaking with another two respectable figures?

It is also possible that Sennholz, who lived in Germany during WW II, feels a special guilt over anti-Semitism. But it's more likely that his actions were simply a craven response to the threat of *controversy*, something FEE has long struggled to keep out of *The Freeman's* pages. Why risk dissension and debate when your job is to publish devotionals?

—JW

**Lima bean-counters** — A few days after leftist rebels seized hostages at the Japanese ambassador's house in Lima, a giddy little story surfaced about how much fun the elite captives had debating politics with the Tupac Amaru boys. Apparently, the rebels agreed — or wanted to be seen as agreeing — that some Peruvian businesses might actually be privatized. The debates seem to have been about the *kinds* of businesses, the *speed* with which they should be privatized, and so forth.

Now, there's always a hefty possibility, in cases like this, that one side or the other may have fallen victim to some slight misunderstanding. Nevertheless, the reported Embassy Debates are an encouraging sign for friends of free enterprise. I wonder whether opinion leaders in this country, who are simply stupefied by any suggestion of privatizing an established government function, will ever catch up ideologically with the Peruvian rebels.

—SC

**Bill Clinton, welfare dad** — Without the approval of the 19th amendment to the Constitution — giving women the right to vote — in 1919, Bob Dole would have become the new president of the United States, having won by 1 percent. Among white males alone, Dole received 49 percent of the vote, compared with 38 percent for Bill Clinton. Women, not men, re-elected Clinton, favoring him by 54 percent to 38 percent.

This gender gap was one of the big stories of the 1996 election campaign. It spawned innumerable articles about how a new generation of "soccer moms" was turning to the Democratic party and Clinton. It turns out, however, that the soccer mom was mostly just another media tall tale.

According to exit polls, the much-touted soccer moms (25 to 50-year-old married women with children) favored

Clinton over Dole, but by the slim margin of 45 to 43 percent, nowhere near enough to overcome Dole's advantage among men. The gender gap was actually composed mostly of unmarried women, of whom an extraordinary 73 percent voted for Clinton.

The gender gap is a product of the shifting composition of the American family since the 1960s. Today, more than 30 percent of children are born outside of marriage. Among new marriages, about 50 percent are likely to end in divorce. Women in such circumstances — or others who may fear that one day they will end up in them — have been turning in increasing numbers to the government for support, and are voting accordingly. The state is becoming the new surrogate husband.

The recipients of direct cash assistance from welfare are largely women. Sixty percent of those receiving Medicaid are women. To single women from the middle classes, alimony and child support are almost as important as government subsidies. The amounts of support received are politically determined — usually set by judicial decree, following broad legislative and executive guidance. Women look to politicians to maintain high payment levels and to select judges with appropriate views. They also look to government for help in ensuring that they actually receive the mandate.

Elderly women are another group that has come to depend more on government. Because women generally outlive men, they make up 60 percent of Medicare and 57 percent of Social Security recipients. In the work force, even among women with college degrees, about half enter teaching, nursing, social work, and social service positions, most of which are jobs within government or directly supported by public funds. Women have successfully pressured government to open up new job opportunities for them in a variety of fields.

In the old days, men functioned in the family as an essential source of economic support, a protector of physical security, and as insurance against ill health or other disability. Today, for many women, the government has come to fill these roles.

At the same time that Bill Clinton was talking about the importance of family values, he was undermining the family by increasing government benefits for women, thereby further substituting the state for the man in the family. The talk



"If Adam and Eve work out, we'll franchise them."

about soccer moms provided him cover, and diverted attention from his continued role in subverting the family.

The new degree of personal autonomy and freedom has improved the lives of women, giving them rights that they had long been unfairly denied. But it would be ironic if a further outcome of this greater individual freedom turned out to be a greater dependence on the government. Even with considerable government help for single women, numerous studies have found that children raised in two-parent households have much better prospects. More than 30 percent of children in one-parent households live below the poverty line.

It is the poorest women who have the greatest incentive to substitute the state for a husband. A rich or middle class man will typically be a good catch. But if women have the freedom to decide whether a man is worth it or not, many poor men will not measure up. Better to get help from the government than to bear with bad breath, foul moods, and other irritants of daily life.

In the inner city, women thus now often disdain marriage to men who offer little or no improvement over food stamps, subsidized housing, AFDC, and other government assistance. And such trends are spreading to the middle class.

For example, government guarantees of child support payments have proved to have some counterproductive effects. If divorce settlements had to be negotiated voluntarily by husband and wife, instead of being imposed coercively by government, it would significantly alter the dynamics of existing marriage and divorce. Among other things, current state guarantees of child support create incentives similar to welfare — encouraging women to enter into riskier relationships, to have children with less assurance of the commitment of marriage, and to abandon existing marriages with less severe cause.

The political gender gap in 1996 spawned a virtual cottage industry of interpretation. Some commentators suggested that it was Clinton's "seductive" personality, or as one put it, his "feigned female sensitivity — feeling their pain and all that," which also alienated male voters who felt a subconscious sexual jealousy. There may have been something to this. But the major explanation is simpler: the welfare state plays a larger role with many women than it does with men, and these women last year voted their interest.

If women see matters this way, the politicians will do what is asked of them. A group that currently represents 52 percent of the electorate goes well beyond a "special interest." The real question for women then is what really serves their purposes. Instead

of building a life with men, the welfare state has given women the option to tax men. That has been bad for men. In the long run it will also likely prove bad for women. —RHN

***The first casualty of the war on inflation*** — Every month, about 200 federal employees in 90 cities go shopping, checking the price of everything from soup to nuts to pretzels to underwear to cemetery plots. From these data, computers at the Bureau of Labor Statistics calculate the change in the Consumer Price Index.

Because it is believed to measure inflation, the CPI is used to adjust a wide variety of prices in private business. Employment contracts often specify regular pay raises in proportion to changes in the CPI to compensate workers for loss of purchasing power because of inflation. Real estate leases also sometimes provide for the escalation of rent in proportion to changes in the CPI. Various government expenditures, including payment of pensions and Social Security benefits, are indexed to CPI.

A few years back, it occurred to someone that if we could figure out a new way of calculating the CPI so that the changes were lower, the government could save a lot of money on Social Security, pensions, and other expenditures indexed to the CPI — over a trillion dollars during the next twelve years, by one estimate.

So last year the Senate Banking Committee hired a "blue ribbon" commission of economists to examine the whole matter, and the commission reported back that, oh, yes, the CPI overstates inflation. It exaggerates inflation by 1.3%, mostly because it fails to take into account the quality

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improvements in the stuff we buy. The television set we buy today, for example, is likely to have stereo sound and maybe even a digital picture, while the television we bought ten years ago has monaural sound.

So instead of concluding that inflation was 2.9% last year, let's just subtract 1.3% and say it was only 1.6%. That way, we can give smaller increases in Social Security benefits, pensions, and federal salaries.

The public reaction has been swift. Those who want to cut spending see changing the CPI as a good way to do so without actually enacting spending cuts. Those who want more welfare spending see it as some sort of evil plot to cut spending without actually enacting spending cuts.

While both sides focus on the politics, the real significance of the issue is being missed.

Inflation is the general rise in prices, caused by the increase in the supply of money in relation to the demand for money. People don't like inflation because it erodes the value of their savings. Inflation is really a sneaky form of taxation: instead of taking money directly from people, the government creates more money (mostly by the printing press, in times past, but in these days of electronic money, mostly by credit expansion) out of nothing and then spends it. Not surprisingly, this drives up the price of the stuff we buy, since the newly created money is the same as the money we have in our bank accounts or stuffed in our mattresses. It's different from taxes only in that it leaves us with the idea that we still have as much money, but it just doesn't buy as much as it used to.

So how good a job does the CPI do of measuring inflation? Not a very good job at all. For one thing, it doesn't measure the general change in prices at all. It just measures the change in consumer prices. And money is spent on a lot of stuff besides consumer goods: it's spent on capital goods (tools, factories), non-residential real estate, stocks, and lots of other stuff that's not included in the CPI.

More importantly, using the CPI to measure inflation assumes that prices ought to be stable, or at least that when prices are stable, there's no inflation. But there is no reason to believe that this ought to be the case.

Technological progress is constantly lowering the cost of just about everything we buy. Two centuries ago, the shirt a man wore would have likely been made from fiber that he sheared off a sheep himself, laboriously washed and gave to his wife, who spun it into thread, wove it into cloth on a

handloom, and sewed the shirt by hand. No wonder most people couldn't afford to have more than one or two shirts! Today, thanks to two centuries of progress, the process of spinning the fiber into thread, weaving it into cloth, and cutting and sewing it is done largely by machines at a fraction of the former cost.

The photo-ready masters for this magazine were typeset on a computer and printed on a printer that cost about \$2,000. In 1980, the computer and printer that I used to produce the master cost me over \$8,000 and did a much lower quality job. The reason that we can now produce a superior product at a lower cost is not that the value of the dollar has gone up. It is that the cost of producing computers has gone down.

There is a temptation to say that we should always expect prices to decline, thanks to progress, and that if they don't decline, we're having inflation. Put another way, we should conclude not that the CPI overstates inflation, but that it *understates* it, by failing to take into account humanity's progress in improving the quality of the goods we need and making them more efficiently.

But even this misses the point. This assumes that the supply of money is relatively fixed, and that the problem with government-issued money is that the government abuses its privilege and prints (or otherwise creates) too much of it.

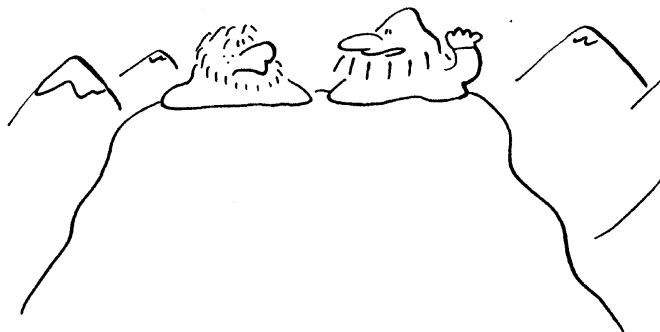
Of course, ever since the U.S. government took over the creation of money about a century ago, it has in fact abused its privilege by running the printing press overtime. But prior to the government's monopolizing the money supply, money was whatever people used as a medium of exchange. In the free market people tend to choose as their medium of exchange commodities that are widely dispersed, easily transportable, highly prized, chemically stable, easily recognized, etc. Throughout most of human history, people tended to prefer gold and silver because they had these properties; and governments that failed to recognize that fact did so at their own peril. (Remember the disastrous experiments with paper money during the American Revolution or Civil War or the French Revolution?) Government coinage was a convenience, not the creation of money. The dollar was a unit of weight, not an artifice.

Plainly, free market money is the best money, and not simply because it prevents government from stealing our wealth by the subterfuge of creating new money. It is best because it works better than any alternative to satisfy our wants, to enable us to prosper.

What does this have to do with whether the CPI should be modified? As much as I would like to restrain government spending, I don't think tampering with the CPI is a good way to do it. Once you enable tampering with the CPI on the theory that the stuff we buy today is better than the stuff we could buy in the past, you introduce a subjectivity that makes the measurement worthless, and enables government to manipulate it as it pleases.

But don't for a minute mistake the CPI for a measurement of inflation. And remember: the only way to eliminate inflation is to get the government out of the business of creating money out of nothing. In the meantime, we'll all have to try to protect ourselves against the inflation from which we suffer, and which the CPI underreports.

—RWB



"There isn't any — just go behind that mountain over there."

## Report

# Revolution in a Small Country

by R. W. Bradford

*Only once in the past century has the Leviathan State been successfully challenged in a Western democracy: in New Zealand in the 1980s. But in recent years, New Zealand's Revolution has shown signs of winding down and even reversing.*

*Why did the Revolution in New Zealand happen? How has it changed people's lives? Will its Revolution endure, as the Industrial Revolution has lasted? Or will it die and be forgotten, suffering the fate of the Russian Revolution? Can the lessons of New Zealand be applied in other Western democracies?*

*R. W. Bradford went to New Zealand to seek answers to these questions.*

When you kayak through the Doubtful Sound, a deeply indented fjord on the southern west coast of New Zealand's South Island, you are impressed by the beauty of the forests covering the steep slopes that surround you. The beeches, podocarps, and tree ferns tower toward the sky, their lush green interrupted only by torrents of water plunging to the sea. But here and there you will see a gray patch on the steep slopes, a patch that seems out of place in the midst of such overwhelming verdure.

Starting two million years ago, gigantic glaciers intermittently scoured out deep fjords in the solid granite here. When the glaciers melted, the Tasman Sea filled these deep indentations in the land, and for 15,000 years since, storms off the Tasman have dumped 300 inches of rain per year onto the granite walls of the fjords. When it rains, as it almost always does, waterfalls are everywhere.

Even in this strange landscape, nature's entropy is relentless, and slowly the cold granite is digested by soaking wet lichens, the primitive symbiosis of algae and fungus. The lichens produce tiny particles of waste matter that elsewhere would gradually accumulate as topsoil. But here the land is so steep that except for a few particles trapped in the spongy morass of the lichens themselves, this soil is washed away by the relentless rain, down the precipitous walls of the fjords and into the sea.

A few species of trees have evolved that can find nourishment in the lichens by digesting the particles of entrapped soil and the abundant water held in the spongy lichens. This is a fragile ecosystem. When it fails to rain for even a few hours, hundreds of the small waterfalls tumbling to the sea disappear. When it fails to rain for a few days, the larger waterfalls vanish and the water that soaks the lichens begins to evaporate. And on those occasions where the rain fails for a week or two, and the sky is clear and the sun beats down, the lichens are liable to dry out. The podocarps and beeches, which only a few days earlier appeared so healthy that they might live forever, weaken from lack of water. Sometimes, when the wind blows in off the Tasman, a tree that is weakened by thirst topples to the ground, pulling out its shallow roots and the dry lichens in which only days before it had found ample nourishment.

When this happens in a steep enough place, the fallen tree is liable to uproot another tree and more lichens, and that tree still more trees. The result is an avalanche of trees, sliding down the steep granite walls — now once again bare and gray, ready for the spores of fungus and algae to be blown against them and begin the process anew.

### **An Example for the World**

New Zealand is almost irrelevant to the rest of the world. Only 3.5 million people live there. It is further away from other populated areas than any place else in the world (and thus has no military importance). It sits on no trade

routes. It doesn't have any important natural resources. The only places less important are flyspeck islands in the Atlantic rift and the South Pacific, places like Tristan da Cunha or Vanuatu.

But everyone should care about New Zealand because it is the only country in the past century that has democratically turned back the relentlessly increasing power of the state. Everyone else in the western world lives under a government whose taxes are rising, whose regulations become more burdensome, whose power is growing every day.

Except in New Zealand, government power has been rolled back only by revolution or the loss of a major war. The Reagan "revolution" in the U.S. slowed down the growth of government, but failed to reverse it. The same is true of

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*Everyone should care about New Zealand because it is the only country in the past century that has democratically turned back the relentlessly increasing power of the state.*

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Thatcherism in Britain. The only genuine reductions of government power in this century — aside from New Zealand's — occurred in the wake of revolutions and war.

New Zealand's Revolution — and that's what people there call it — turned the country around. The income tax rate was cut from 66% to 33%, inheritance taxes were abolished, and import duties (very important in a country that has to import almost all manufactured goods) slashed. Subsidies were eliminated. Huge government enterprises that lost millions of dollars every year were sold off to private owners. Regulations were eliminated, and competition was allowed in areas where competition had never been known.

A few years later, New Zealand was more prosperous than ever before: unemployment was down, real wages were rising, and inflation was cut from double digits to less than 2%, the lowest in the world. A recent study by ten market-oriented research institutes ranked New Zealand's economy the freest in the world except for those of Hong Kong (which will be surrendered to communists later this year) and Singapore (which enjoys economic freedom and prosperity, but few civil liberties or democratic rights).

The experience of New Zealand during the past decade answers the question of whether an industrialized country whose prosperity has been undermined by socialism can recover quickly, and offers some practical lessons in how to implement a program of radical reform. But important questions remain.

Will New Zealand's Revolution take firm root and bring permanent change? Or is it as shallowly rooted as the podocarps and beeches of the Doubtful Sound, which tumble down to the sea in a huge avalanche during the first drought or windstorm, leaving a gray patch where a vibrant micro-ecosystem had stood the day before?

How the Revolution was implemented and how it worked can be learned from newspaper reports, history books, and economic reports. But the answers to some more important questions cannot. Will the Revolution last, as the Industrial Revolution has lasted? Or will it die and be forgotten, suffer-

ing the fate of the Russian Revolution? What are the prospects of such a revolution happening in other countries? How much affect did the revolution have on people's everyday lives? How have people reacted to the changes? Are the changes going to be undone, and is government going to start to grow again?

The ultimate fate of the Revolution depends on the people of New Zealand, on what they believe, on their understanding of what has happened, and on their values. These are not the sort of things that can be learned from news accounts or histories or economic statistics, nor from polls or surveys. To explore these issues, you have to talk to New Zealanders in depth, discuss what has happened, and plumb their psyches.

So I went to New Zealand, to observe the situation firsthand and to speak with the people who lived through the Revolution.

## How It Happened

Until the 1960s or so, New Zealand considered itself a sort of distant province of England. Indeed, in many ways it was more English than England. New Zealanders — "Kiwis" — thought of Great Britain as the "home country." The queen was on New Zealand's coins, paper money, and stamps. New Zealanders rushed to defend the British Empire in the Boer War and World War I.

Every little crossroads in New Zealand has a monument to the soldiers who died in the world wars. In Queenstown, which is now a fairly large center (its population is around 9,000, which makes it big by New Zealand standards), but which had only 731 souls when the Great War started, the memorial lists 81 local boys who fought in the war and survived and another 37 who died. In all, about 17,000 New Zealand men lost their lives in the war — a remarkable act of loyalty to England, considering that the war was fought almost entirely on a continent as far from New Zealand as you can get without leaving the planet. New Zealand reaffirmed her fealty to England again in World War II, when, at Britain's request, it declared war on Germany even before Britain. Even after Japan entered the war, opening a second front in the Pacific, New Zealand's troops stayed in Europe. The military draft was extended to all men up to age 50, and men up to age 66 were conscripted for war work.

When Britain enacted the Statute of Westminster in 1931, granting New Zealand full independence, New Zealanders objected, and their government requested that the statute not take effect until New Zealand's parliament formally accepted it, an event that didn't occur for another 16 years.

England repaid this amazing loyalty by purchasing New Zealand's farm products. The years following World War II were prosperous ones, especially when the price of wool skyrocketed during the Korean War. New Zealand's long-standing welfare state — it had state-owned railways as early as 1870 and had pioneered universal government pensions in 1898 — had relentlessly increased taxation, regulation and government ownership. By the 1950s, both of New Zealand's political parties — Labour, explicitly socialist, and National, supposedly conservative — embraced central planning. New Zealanders produced farm goods, England bought them, and the government ran the whole show: guaranteeing jobs, health care, education, and entertainment for everyone, own-



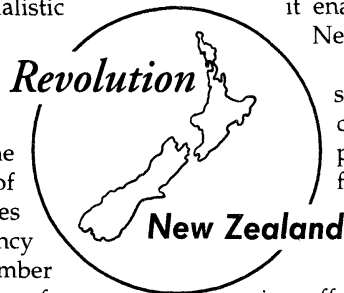
ing most of the major business enterprises, and tightly controlling everything else. With huge windfall profits from the wool boom of the early 1950s and its unique access to the British market for its agricultural products, New Zealand financed what was undoubtedly the most socialistic system in the Western world.

But by the 1960s, the economy was beginning to unravel under the weight of heavy regulation, declining prices for its agricultural exports, and high taxation. The national debt was exploding, as was the cost of debt service. By 1965, foreign exchange reserves were dwindling and the New Zealand currency was on the brink of devaluation. In November 1965, the government borrowed US\$62 million from the International Monetary Fund to shore up the currency.

Nineteen sixty-six was an election year, and the National government had lost popularity because it had sent troops to Vietnam. The government's foreign exchange holdings continued to shrink. Prime Minister Keith Holyoake feared a currency crisis, but he feared going back to the IMF for another loan even more: doing so would make very plain the failure of his government's economic policies and would likely result in the IMF imposing fiscal restraints. So the National leader called on the Prime Minister of Australia and arranged a loan of A\$50 million. National won the election — and the loan was kept secret until January 1, 1997, when the Australian National Archives' 30-year embargo on Cabinet working papers expired.

In the 1960s, the government authorized a huge dam to raise the level of Lake Manapouri and divert its outflow into the Pacific Ocean. But the private firm that had been given the rights to build the dam bailed out on the project after concluding that construction would cost more than the sale of electricity would generate. This was the sort of project that the National government loved. It took over the project and signed a contract to sell power to an aluminum refinery that would process ore from Australia for export, producing a few hundred jobs in the process.

Manapouri is a lake of transcendent beauty, much loved by Kiwis. Nearly a quarter million of them signed petitions protesting the dam on esthetic and environmental grounds. The National government refused to budge, and in 1972, it was turned from office on the issue. The new Labour government decided to finish the power plant after modifying its



tionist about farm products and would never consider letting New Zealand's exports into the Common Market. England rather callously agreed to treat New Zealand the way industrialized countries treat all Third World countries — that is, it enacted high tariffs and other restrictions against New Zealand's agricultural products.

And so at the very time the impoverishing consequences of Kiwi socialism were becoming evident, England adopted its new, extremely harsh policies. The government had a choice. It could free its economy and cut massive spending programs, becoming economically viable and competitive in the world market. Or it could forestall the day of reckoning by living off the consumption of its national savings and its good credit.

In 1975, Kiwis returned the National Party to power under a new leader, Robert Muldoon, a man dedicated to making life better for the "ordinary bloke." He centralized his control of the party (and thus of the government) to a point where his power was virtually absolute. His reaction to New Zealand's worsening economic crisis was to do what New

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*One night, drunk as a skunk and miffed at criticism of his racial and nuclear policies by members of his own party, Muldoon called a snap election (remembered today as the "schnapps" election).*

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Zealand had always done: add another government program, take over another industry, increase subsidies, and raise taxes.

Typical of his leadership was his reaction to declining prices for wool, mutton, and lamb. Seeing a threat to the livelihood of Kiwi sheep farmers, he quickly enacted two programs: the Livestock Incentive Scheme, which provided incentives for farmers to increase their flocks by loan subsidy; and Supplementary Minimum Prices, which guaranteed a minimum price for every sheep. Not surprisingly, with a guaranteed profit on every sheep they produced and subsidies to increase production, farmers added to their herds. New Zealand's sheep population increased from 55 million in 1975 to 70 million in the early 1980s, despite the declining demand. The government purchased the surplus sheep, killed them and froze them, and ultimately processed the carcasses into fertilizer, which it sold back to the farmers at subsidized rates. The economics of the whole process were appalling: in one instance, sheep that cost the taxpayer \$330 million in subsidies were converted into fertilizer and sold for \$6.5 million.

To foster domestic manufacturing of electronic goods, the government decreed that television sets could not be imported. And so television sets were disassembled in Japan and their components shipped to New Zealand, where Kiwi workers reassembled them. To protect the government-owned railway system, it was made illegal to transport goods by other means for any distance greater than 150 kilometers. But the railways lost billions of dollars anyway, as well as

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*"The bars used to close here at 6:00 p.m.," one man told me. "For an hour before they closed it was just everyone downing one round after another."*

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plans so the lake level didn't have to be raised. Virtually no one in New Zealand objected to the notion of such a huge subsidy to produce such a tiny handful of jobs. The power plant was completed. A quarter of a century later, the government still has not revealed its cost.

Things took a turn for the worse in 1973, when England joined the European Community, which is extremely protec-

entire carloads of freight and freight cars themselves. High tariffs intended to foster domestic automobile manufacturing resulted in the highest car prices in the Western world, highway traffic that looked like it was coming from an antique car meet, and a population forced into mass transit. Passenger railways were, naturally, a government monopoly; and the passenger railway system also owned the inter-island ferry system and a national bus system. Not surprisingly, mass transit was expensive and awful. The ferry that crossed the Cook Strait between North Island and South Island offered hard benches, nauseating food, and lavatories reeking of vomit that a huge staff of ferry workers refused to mop up.

But the system did have its advantages, and not only for the workers who got well-paid jobs with little work to do. It also fostered education. "Under the old system," one middle-aged man explained to me, "my daughter got a job every summer with the Forestry Department. Every year she got a new set of overalls, a new construction helmet, and a new pair of gum boots. She got paid \$10 per hour, which was enough to pay for her university. She didn't really have any work to do, and sometimes she didn't even bother to go to work."

In an attempt to keep inflation under control, the National government imposed wage and price controls in 1982, further stifling the economy. When the money began to run out, it

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*When I asked a small town doctor what he thought of the Revolution, he started to tell me how it made it socially acceptable to dine out, how contraception and abortion rights were recognized, how gay rights began to be accepted.*

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borrowed more from foreign governments and banks to keep the benefits flowing to its supporters. It kept the borrowing secret and glossed over the failure of central planning. New Zealand was a fool's paradise, at least for the National politicians and those who had government jobs or government subsidies.

But by the mid-1980s, the National Party was losing support anyway — partly because of economic problems, partly because it had supported U.S. nuclear policy and South African racial discrimination (both unpopular among Kiwis). Under the parliamentary system of government, it could stay in power for three years unless its members broke ranks and voted no-confidence or its leader called a snap election. By 1984, with its popularity declining, National's members had every incentive to hold ranks — else they might feel the wrath of the voters — and no sensible leader would think of calling for a snap election.

But the National Party didn't have a sensible leader. It had Robert Muldoon, a power-mad good-old-boy with a drinking problem. And one night, drunk as a skunk and miffed at criticism of his racial and nuclear policies by members of his own party, Muldoon called a snap election (remembered today as the "schnapps" election). When he sobered up, he regretted the decision. But it was too late: a snap election, once called, cannot be uncalled.

Pitted against the National Party were the Labour Party

and the New Zealand Party. Labour was the traditional party of the socialist left, but it had a new face. For the first time, it was led by young men, men who had grown up after World War II. The New Zealand Party, which called for free enterprise and military isolationism, was well financed by its founder, Bob Jones, a wealthy real estate developer.

From the start, things didn't go well for Muldoon and the National Party. Jones and his New Zealand Party cut into their traditional support, and the Labour Party suddenly looked young and energetic. The situation was desperate, and many voters knew it. Long-time National supporters abandoned it for Labour, a move previously anathema.

In 1984, Jim Sherlock was chairman of a National Party campaign committee. After the campaign was over, he admitted to the other members that he had voted for Bob Jones' New Zealand Party, and apologized for just going through the motions of campaigning for National. Confession is good for the soul: all the other members of the committee admitted that they had done the same. Today, Sherlock is a supporter of ACT.

Voting against National was traumatic for some people. When a retired farmer told me that he always voted National, I asked him how he had voted in 1984. He said that he had had a difficult time deciding. At the time, his best friend was the member of Parliament from his district, but he knew the country was heading for disaster. "I finally decided to vote Labour," he told me; his friend was turned out of office. "I've never told my friend about it," he added, his voice breaking and tears welling up in his eyes. "I still see him all the time, and I've never told him. I think I should. But I'm not sure he'd understand." Several other lifetime National voters whom I spoke to also sheepishly confessed to having voted Labour when I asked them about the 1984 election.

Just after Labour had won the election, word trickled into the currency markets that the government was nearly broke. The New Zealand dollar collapsed. The government was so broke that officials at foreign embassies were asked to meet current expenses by using their personal credit cards. The secret was out: the National government, under the stewardship of Robert Muldoon, had virtually bankrupted the country. And no one seemed to know what to do.

The Labour Party's finance man was Roger Douglas. His background was impeccably Labour: his grandfather had been a founding member of the British Labour Party, a Labour MP in New Zealand, and eventually Minister of Agriculture in a Labour Cabinet. His father was also a Labour MP, and he was raised in an environment suffused with politics. He combined Labour's traditional sensibilities — a deep compassion for working people, a belief in the equality of human beings, a profound distrust of rank and privilege — with a pretty good understanding of economics, a remarkable talent for working with his party's politicians, and more raw courage than just about any other political leader of this century. In this desperate situation, he had a program: free the currency, sell off government-owned industries, cut taxes, reduce regulations. In desperation, his agenda was adopted by the new Labour government.

At first, most people were appalled by these extensive free-market reforms, which came to be called "Rogernomics." Several people told me they had thought about leaving the country. The reforms brought quick prosperity to a few but

caused financial hardship to many. Douglas believed that the only way to implement a radical program was to do so rapidly, in quantum leaps, "otherwise interest groups will have time to mobilize and drag you down. . . . It is almost impossible to go too fast . . . the fire of opponents is much less accurate if they have to shoot at a moving target."

Farmers, traditionally the backbone of National Party support, were the first special-interest group to find itself in Douglas's crosshairs. Supplementary minimum prices were abolished and loans brought up to market rate. (To help farmers who had borrowed against subsidy-inflated land values, capital amounts of loans were reduced, so very few farmers were forced off their land.) Farmers marched on Wellington, but the Labour government was firm. Within a few years, farmers had adjusted to the new rules, become entrepreneurial, and were strong supporters of the Revolution.

This pattern repeated itself in other sectors of the economy. "Before you remove the privileges of a protected sector," Douglas wrote in 1989, "it will tend to see change as a threat which has to be opposed at all costs. After you remove its privileges and make plain that the clock cannot be turned back, the group starts to focus on removing the privileges of other groups that still hold up its own costs."

The reforms succeeded in stopping inflation and reducing the growth of the national debt, but unemployment continued, and economic growth remained anemic. Even so, people recognized that the Revolution was necessary. The Labour government retained its popularity as the demographics of its support changed: it gained support from entrepreneurs, investors, and the upwardly-mobile middle class. In 1987, it was re-elected with an increased majority.

Prior to the election, Douglas had presented Cabinet with three budget scenarios. In an interview with me in December 1996, Douglas explained it this way: "We can do nothing, and

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*While there is little sentiment to extend the Revolution, neither is there much sentiment to undo it.*

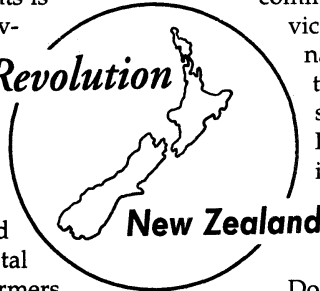
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continue our past policy. If we do nothing, really, I'm not the person for you, you'd be better off with someone else. And here's a radical approach: we cut the income tax to 16 2/3% flat rate, personal and company, and raise the General Sales Tax to 16 2/3% and have wholesale asset sales,\* including hospitals and schools. Just get rid of them completely — that was the radical approach. And in the middle was basically what we decided on: more asset sales, and a flat-rate income tax of 23%. Presenting the radical scenario was tactics, you know. Of course I would have gone with the radical one because that's the way I am. But I didn't ever expect it to be

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\* Richard Prebble, the Minister of State-Owned Enterprises, pointed out when he was asked by a New Zealand newspaper whether he favored additional sales of government assets. "I have never sold a Government-owned asset, only Government-owned liabilities. The Government has consistently proven itself incapable of running successful businesses in the long-term interests of the New Zealand taxpayer."

*Revolution*



adopted." Labour was re-elected on Douglas's "middle" plan.

But the prime minister, David Lange (pronounced "long-ee") was far less committed to the reforms. An immense and immensely charming man, Lange had never been particularly committed to the Revolution. Shortly after Labour's victory, he became involved with a young leftist named Margaret Pope. ("The trouble with David is that he's just discovered sex," one of his colleagues said at the time.) Pope urged him to abandon the Revolution and return to Labour's traditional leftist agenda. In January 1989, while Douglas was overseas, Lange told the press that the Labour government would not pursue the flat tax.<sup>†</sup>

Douglas persevered, continuing to cut spending and to privatize government enterprises. Finally, in 1989, Lange fired Douglas. Enough Labour MP's opposed Lange's move to force Lange to resign. Labour lost the next election. Fortunately, by this time the National Party had adopted free-

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*One of the paradoxes of New Zealand's experience is that the Revolution enjoyed substantial political support during the period that the GDP was stagnant and unemployment high; once economic growth recovered, its political support declined.*

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market policies as well, and the Revolution continued into the early 1990s.

Unemployment peaked in 1991, and by 1993 the dividends of the Revolution were visible to everyone in the form of extremely rapid economic growth.

## The Revolution Today

Support for the National government softened in the mid-1990s, as did the National Party's resolve to continue the Revolution. National won a narrow majority in the 1993 election, and the Revolution stalled. One of the paradoxes of New Zealand's experience is that the Revolution enjoyed substantial political support during the period that the GDP was stagnant and unemployment high; once economic growth recovered — indeed, skyrocketed — and unemployment dropped to record lows, its political support declined.

For all its progress, New Zealand today enjoys a level of freedom roughly comparable to the United States. It's come a long way — but it still has a long way to go.

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<sup>†</sup> "Lange has a very selective memory," Douglas told me. Not surprisingly, Lange doesn't remember Labour losing control of the Revolution in quite these terms. His version is that, by advocating selling the universities, hospitals and highways, Douglas had proven himself a dangerous radical, and shocked Lange into realizing that Labour should get back to its basic agenda. But his affair with Margaret Pope was widely known. More than a dozen of the ordinary citizens I spoke to brought it up in conversation, mostly just to say they were glad that Lange had divorced his wife and married her, since he seemed happier having done so. When I mentioned Muldoon's drinking problem to an elderly farmer, a friend of whom had worked as a security officer for the PM's office, his voice sunk to an embarrassed whisper as he related some lurid details of Lange's affair. New Zealand is a small country.

The 1996 election was to be run under new rules. New Zealand replaced its first-past-the-post parliamentary system (similar to Britain's) with a proportional representation system, making it difficult for any party to obtain a majority. Elections are conducted in each constituency, as before, with the top vote-getter winning a seat in Parliament. But voters also vote for a party. The total party votes are added up, and each party that gets at least 5% of the votes is given as many additional seats as is necessary to make their total delegation proportional to their share of the vote.\*

The new system encouraged formation of new political parties, since any that got 5% of the vote would win seats in Parliament. In addition to the traditional choice between Labour and National, voters had 32 other parties to choose from. Many of these were not serious (13 didn't receive a sin-

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*The move to free markets gained considerable popular support in a country where socialist thought had been ingrained. Not only can free markets be implemented quickly, but they can gain popular support quickly as well.*

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gle vote), but four other parties gained considerable public support:

The Alliance: a traditional socialist party that broke away from the Labour Party.

New Zealand First: a strange populist party led by New Zealand's most controversial politician, Winston Peters, a charismatic former National politician. NZF calls for (1) restricting immigration; (2) bigger pensions for old people; and (3) more money for the Maori (the native Polynesian people of New Zealand.)

ACT (Association of Consumers and Taxpayers): a strongly pro-free-enterprise party, founded by Roger Douglas and other ex-Labour Party politicians, along with some former National members;

The Christian Coalition: a "pro-family," anti-abortion group.

The Labour Party, shed of both its free-enterprise and its socialist factions, is now more-or-less analogous to the Democratic Party in the U.S. The National Party, anxious to retain power and willing to compromise on any issue, pretty much abandoned its commitment to the Revolution and is more-or-less analogous to the Republican Party in the U.S.

It was no surprise when no party won a majority:

Party	Vote	Seats
National	700,687	44
Labour	584,113	37
New Zealand First	276,842	17
Alliance	209,319	13
ACT	126,421	8

\* The change to proportional representation came about, I was told by a National Party member, partly as a reaction to the disastrous Muldoon years. "Muldoon was almost a dictator, and he nearly ruined the country," he said. "With proportional representation, this won't happen again." Other reforms enacted to prevent a repeat of Muldoon disaster prohibited the government from secretly borrowing huge sums of money and made the Reserve Bank independent.

Christian Coalition	89,704	0
others	84,970	1+

The natural allies on the left (Alliance and Labour) won only 50 members in the 120-seat Parliament; while the natural allies on the right (National and ACT) had only 52. Early on, Alliance offered to support a Labour-led coalition in votes of confidence, so if Labour could come to terms with New Zealand First, it would have 67 votes, a substantial majority in the 120-seat parliament. ACT offered similar support to a National-led coalition, though this meant little, since the only possible coalition led by National would have to include New Zealand First and would therefore have 61 members, a majority, without ACT's participation.

After weeks of negotiation, New Zealand First formed a coalition with National. To win NZF's support, National agreed to let Peters serve as Deputy Prime Minister and write the next budget, to abandon its promises to stick with the tax cuts automatically scheduled for this year and its promise to keep inflation down, to increase spending on the Maori, and to hold a national referendum on "superannuation" (old-age pensions). In sum, to retain power, National abandoned all that remained of its support for the Revolution.

## The Future of the Revolution

Lindsay Perigo describes New Zealand as "a country reformed by Hayekians, run by pragmatists, and populated by socialists," painting a rather gloomy outlook for the future of the Revolution. The political events of the past few years seem to suggest that Kiwi support for the Revolution is very thin, and is waning. So when I interviewed New Zealanders about the Revolution, I expected to hear a range of attitudes ranging from complaint to indifference.

During the 40 days I spent there, I interviewed nearly a hundred people — politicians, expatriate Americans, attorneys, real estate people, retirees, farmers, teachers, and others — in conversations that lasted from a few minutes to several hours. I learned a great deal, and I think I have a fair understanding of how the Revolution happened, how it is liable to develop, and whether the New Zealand experience can benefit people elsewhere.

I believe I got a definitive answer to the most fundamental question: do New Zealanders think the Revolution was a good thing? Virtually everyone I spoke to about the revolution supports it. Some thought it had gone too far; only a few thought it should go further. Some had reservations about it, and some were enthusiastic. Others think it needs to be modified to care for poor people better. But all agree that it is a good thing, and no one wants to turn the clock back to 1984.

The farmers, hit hard in the Revolution's early days, quickly learned about free markets and seemed much better businessmen than the subsidized and regulated American farmers I've met. They routinely discussed the world market prices for various farm products, and about shifting production based on market conditions. Right now, many are getting out of sheep and especially beef, where prices are low, and moving into deer, because venison prices are high. I spoke to only one farmer who wasn't making a profit. He was a

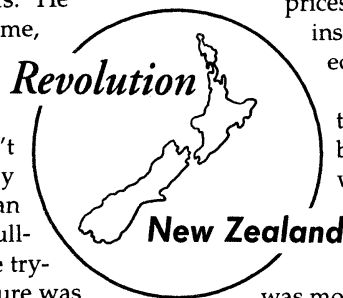
† The net effect of proportional representation cost Labour 11 seats, National 11 seats, and the United Party one seat, and increased Alliance's representation by 11, NZF's by 6, and ACT's by 6.

wealthy American who two decades ago had bought land that he farms more as a hobby than as a business.

Particularly surprising was the conversation I had with a public school teacher. When the Revolution began, he was in mid-career, imbued with socialist beliefs. He hated the new reforms. "Back then," he told me, "there was more social consciousness. Teachers held positions of respect in the community." He had thought about moving out of the country but decided he couldn't afford to. But as time went on, he gradually came to see that free markets were better than socialism. Last summer, in fact, he quit his full-time teaching position to teach part time while trying his hand as an entrepreneur. His first venture was a modest success. At the end of our conversation, which lasted over two hours, he told me that if he were a young man starting out in life, he thinks he would have chosen a career as an entrepreneur. (His wife, incidentally, did not share his enthusiasm for the Revolution. While she agreed that it had enabled most people to better their lots, she was concerned that illegitimacy was rising and that the lot of those on welfare was not improving.)

One member of the traditional working class I spoke to had become a rather enthusiastic supporter of the revolution, though when the program began, he almost decided to leave the country. He lost his job when the changes made layoffs possible, and went to sea. He saved some money, and, though he did not tell me exactly how, became an entrepreneur and purchased a nice home. Aside from politicians directly involved with Roger Douglas, he was the most enthusiastic supporter of Rogernomics I met, though at times he seemed almost embarrassed by his support.

Others didn't even want to talk about the economic consequences of the Revolution. They were more impressed by its social implications. "The bars used to close here at 6:00 p.m.," one man told me. "For an hour before they closed it was just everyone downing one round after another." He interpreted my reaction as dismay at the notion of so many drunks getting into their cars and hitting the roads. "Oh, we didn't have a problem with drunk drivers," he volunteered. "In those days, we all rode push-bikes." When I related this story to another Kiwi, adding that a swarm of inebriated bicyclists must have been something to see, he told me that driving



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wasn't the only ability that was impaired. "I remember when my family first arrived here," he said. "We drove through Auckland at around six o'clock, and men were clustered around the bars. Many of them were unable to control their bodily functions. My father turned to my mother and said, 'Just what sort of country have I brought you to?'"

When I asked a small town doctor what he thought of the Revolution, he started to tell me how it opened up New

Zealand society, how it fostered good restaurants and made it socially acceptable to dine out, how contraception and abortion rights were recognized, how gay rights began to be accepted, how people could get decent cars at affordable prices, how current films were shown in New Zealand instead of old movies. He never did talk about the economic changes.

The overwhelming majority of the people I talked to were hostile to the Revolution when it began. But I encountered only one person who wished that it had never happened: a left-wing American woman who had emigrated there in 1980. She yearned for the good old days, when everyone was poor and there was more "community spirit."

### Changing Politics, Changing Beliefs

Many libertarians (and other intellectuals) believe that government is largely a reflection of people's beliefs and values. Corollary to this is the belief that legislation or government policy can have little impact unless it reflects those values or beliefs, and that the only way to change policy is to change beliefs and values. These views manifest themselves

*From my discussions with Kiwis about their Revolution, it is manifest that it changed the values and beliefs of all but the most ideologically straitjacketed.*

in the notions that education is more effective than political activism and that legislation (like civil rights laws) has little effect on our values. It's easy to see why we are susceptible to these notions: as libertarians, we favor voluntarism and persuasion over political methods, and as intellectuals we like to believe that our stock in trade — ideas — is supremely important and powerful.

It seems plain to me that we are wrong in these beliefs — that in reality, the relation between law and policy, on the one hand, and value and belief, on the other, is far more complex. From my discussions with Kiwis about their Revolution, it is manifest that it changed the values and beliefs of all but the most ideologically straitjacketed. Yes, beliefs and values are reflected in political institutions, policies, and laws. But political institutions, policies, and laws also affect values and beliefs.

The move to free markets gained considerable popular support — and vitiated much opposition — in a country where socialist thought had been deeply ingrained. Not only can a change to free markets be implemented quickly, but it can gain popular support quite quickly as well.

Even so, it is evident that there is relatively little support for extending the Revolution, and many people are inclined to retreat a little from its gains. In the election of October 12, the result was inconclusive.

Critics from the left are inclined to say that only around 44% of the vote (National, ACT, the Christian Coalition, the Libertarianz) was for the Revolution, so the Revolution ought to be undone. But the only party that opposed the revolution was the Alliance, which got only about 10%, while the mid-



dle (Labour), the muddled (New Zealand First), and the fringe captured 46%. This, I believe, demonstrates a consensus, though not an overwhelming one, for the changes of the last decade.

Of course, the coalition government that came out of this — National and New Zealand First — is a pale supporter of the Revolution, retreating on several important fronts; and the major opposition party (Labour) is vaguely hostile. The immediate outlook is gloomy. The morning after the coalition was formed, Roger Douglas told me, "Last night, I watched that damn Bolger and Peters . . . it just made me sick to the stomach, the compromising, the rubbish that is going to happen. . . . I jumped in the car and I went down to the local petrol station and bought myself a big bar of chocolate. Because I felt sick in one way, I wanted to be sick in another way."

But the long-term outlook, I think, is much better. For one thing, while there is little sentiment to extend the Revolution,

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*For all its progress, New Zealand today enjoys a level of freedom roughly comparable to the United States. It's come a long way — but it still has a long way to go.*

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neither is there much sentiment to undo it. And the current political situation is an unstable one. Virtually everyone in New Zealand believes that Winston Peters will do everything he can to sabotage his coalition partners. National Party backbenchers are already having a tough time swallowing the notion that the tax cuts ought to be abandoned and maybe replaced by tax increases, and are hostile to virtually every element of the New Zealand First program and to Peters personally.

Meanwhile, the free-enterprisers of ACT are a significant opposition party, entitled by parliamentary custom to ask whatever questions they please of the Government, and to get honest answers to them. ACT's parliamentary contingent, to judge from those whom I interviewed, are a smart and politically savvy group of people. Led by Richard Prebble, an extraordinarily skilled politician and long-time ally of Roger Douglas in the Labour Cabinet, it ought to be able to capitalize on the hypocrisy of National and the instability of the coalition.

ACT's position in opposition to the compromising National government should enable it to gain publicity and credibility with voters. It stands an excellent chance of increasing its vote total in the next election, perhaps even to a point where it might form a coalition with the vacillating Nationals and renew the Revolution. That, indeed, is ACT's plan. "I think the fact that National's gone with New Zealand First gives ACT a huge opportunity to take away whole layers of support from National," Roger Douglas told me. "The only way we'll really get [ahead] is to go on the attack. We've got to debate and confront the do-gooders, and not let them get away with the nonsense they talk. We've given them a free run for a long time."

For the time being, I think the revolution will continue. It may backslide a little, but it won't be undone. And there's a real possibility that ACT will exploit the current political situ-

ation to gain support. It wouldn't surprise me a bit if the next election brings in a coalition of ACT and National, purged of its compromisers — and a renewal of the Revolution.

## A Model for the World?

The implication for other countries is clear: the economic problems engendered by socialistic policies can be undone and undone pretty quickly if a government will commit itself to free enterprise. It took New Zealand less than a decade to transform itself from the basket case of the OECD to its fastest-growing economy, from a nation teetering on the brink of bankruptcy to a nation that is reasonably healthy by fiscal standards, from a nation with high unemployment to a nation with low unemployment. Furthermore, if a program can be put into place, a hostile population is quite liable to come to support it.

But that is a very big if.

The situation in New Zealand in 1984 was extraordinary, if not unique:

1. The situation was *absolutely desperate*. Government control was so pervasive that the economy was failing, and many people knew it. Furthermore, New Zealand is isolated geographically, has no strategic importance, and has no resources that were vital to any other country's interest. Its government can not count on anyone bailing it out.

2. The government had *blundered into a position of vulnerability*. The government would have had enough support from special interests who benefited from its policies to maintain itself in power, had it not committed two critical political blunders: (a) advancing two terribly unpopular political positions that were peripheral to its political program (apartheid in South Africa and U.S. nuclear policy); (b) its leader getting drunk and calling for a snap election at a particularly inopportune time.

3. At the same time as the election, the government faced an *unforeseen financial crisis*. The secret borrowing of the Muldoon government had undermined the country's credit and made its currency vulnerable, yet Muldoon refused to allow devaluation or float.

4. The party swept into power had among its leaders a *determined and knowledgeable advocate of free markets* who was also a *skilled politician*.

5. Aside from the determined and knowledgeable free marketer, there was an *intellectual vacuum* among the winning party's leadership.

6. New Zealand had a *centralized and open democratic system*, which meant that once a party won a national election, it could implement its program at will.

If you eliminate any of the following conditions from the New Zealand equation, the Revolution would not have occurred. If the situation hadn't been desperate, people wouldn't have accepted the desperate solution offered by Roger Douglas. If Muldoon had not blundered, Labour would not have been elected. If there had been no unanticipated financial crisis, the Labour Party leadership wouldn't have been able to get its members and the public to accept such a radical response. If Roger Douglas hadn't been among Labour's leaders, the reforms would never even have been considered. If the leadership of the Labour Party hadn't been befuddled by the crisis, it wouldn't have accepted Douglas' program. And if New Zealand didn't have a system in which

a majority party could enact and implement its program without obstruction from the opposition party or the courts, the program would have been bogged down in debate and litigation, and been enacted slowly and piecemeal, if at all — suffering the fate of the Clintons' proposal to socialize medical care in the U.S.

Could a revolution like New Zealand's happen in America? I suppose so. If, say, we faced an unanticipated economic crisis so desperate that it had no perceived solution or amelioration. And the party in power blundered so idiotically that it lost control of the presidency and both houses of Congress in a single election. And if the party swept into power had no idea how to deal with the situation, except for one man (say, Milton Friedman) who by coincidence happened to be among its key "experts" on economic issues.

There is good reason for the Revolution in New Zealand to be unique. New Zealand in 1984 was in a unique situation, and it had nearly unique characteristics that enabled it to embrace the Revolution.

The Revolution in New Zealand may be difficult to transplant. But it *has* grown roots. At the moment, a counterrevolutionary wind of complacency is blowing over the land, and it might turn out that the Revolution is self-limiting — that the prosperity it engenders breeds an apathy that undermines further progress. One or two of New Zealand's new freedoms may die back. But there's little reason to believe that the Revolution, like the podocarps and beech trees of Doubtful Sound, will be destroyed in an avalanche of tax increases and new regulations. The climate is right for new freedoms to take root and grow. □

## New Zealand's New Zealots

If by "libertarian," we mean a person who favors radically reducing the power of government, then it is safe to say that libertarians are vastly more influential and prominent in New Zealand than in the United States. New Zealand has two different libertarian political parties: ACT (more formally, the Association of Consumers and Taxpayers) and the Libertarianz.

ACT is a new party, founded in 1993 by Sir Roger Douglas, who, as Finance Minister in the Labour Government from 1984 to 1989, was responsible almost single-handedly for New Zealand's free-market revolution. ACT is well-organized, well-financed, and very much in evidence on the national scene. In terms of membership, it is the second-largest party in New Zealand. Leaders of ACT wrote three different books that attained best-seller status in New Zealand during the past year.

Roger Douglas has proven himself the most effective libertarian politician of this century. He is unique among political leaders in that he has effected a genuine reduction in the power of government in a Western democratic country.

Since his retirement from Parliament, Douglas has been knighted by Queen Elizabeth II, an honor apparently bestowed quite widely on New Zealand's retired politicians and other prominent or wealthy folk. One of my favorite parts of the U.S. Constitution is the provision in Article I, Section 9 that prohibits titles of nobility on these shores; but I value civility over ideology and didn't know the appropriate form of addressing a knight: "Sir Roger" seemed too familiar; "Mr. Douglas" might be offensive; "Sir Douglas" seemed outright goofy. I asked several New Zealanders about this, and got more different answers than I had imagined. (My favorite: a retired dairy farmer told me one of his mates had just been knighted. "I still call him 'Jim.'")

I met Sir Roger (I think this is the proper way of referring to him in the third person) at ACT's offices in downtown Auckland, where his office was surrounded by the detritus of a professionally run campaign: dozens of telephones, computers, print-outs of voter lists, phone directories, campaign documents, etc. I finessed the issue of how to address him by never addressing him by name, the way I always avoided directly addressing my wife's father. ("Mr. Armington"

seemed ridiculously formal, "Larry" seemed too familiar, and "Dad" seemed downright mendacious.)

I began by observing that although he retired from Parliament in 1990, the two books that he has written since then read like plans for continuing the revolution that he began, adding that his activities on behalf of ACT looked a good deal like the behavior of a man who had ambitions to be New Zealand's prime minister. "Do you want to be Prime Minister?" Not really, he said. He had spent 20 years in parliament and another three years launching ACT, and now he wanted to get on with his life. I wasn't sure whether to believe him entirely. I suspect his zeal to renew and extend New Zealand's Revolution is still there. "The more I think about it — I get more radical as I get older," he told me.

I found him to be extraordinarily candid for a politician, charming, and informal. He didn't mind my taping the entire interview and at its conclusion disclaimed any desire to keep even his most pungent opinions off the record. (I don't report those pungent opinions here because most concerned New Zealand events and figures that wouldn't mean much to American readers.)

I also spent an afternoon with Rodney Hide, officially ACT's president, shadow Minister of Finance, and a newly elected member of Parliament. Hide spent a year in the U.S. as a fellow at the Political Economy Research Center, a libertarian think tank concerned primarily with environmentalism.

Hide is a pit bull who speaks with a Kiwi accent so powerful that perhaps 20% of what he said was unintelligible to me. But the remaining 80% was high-powered, brilliant, and often outrageous. Practically the first words out of his mouth were profane, followed by a look of concern to my wife and a polite query: "Do you mind if I use obscene language?" She assured him that she did not mind, and his conversation was about 20% profane from that moment on.

Hide loves the game of politics and glories in victories over his opponents, who include everyone that doesn't want to dismantle the state. A feature in *Metro*, a left-liberal magazine roughly analogous to *The New Yorker* in content, though substantially more influential, captures him well:

While boasting the physique of a well-fed Lilliputian, Hide has a reputation as a fearsome debater. Winston Peters walked offstage rather than tackle him. John Banks [a National Party member of Parliament (MP) who hosts a nation-wide morning drive-time talk radio program] tried to bar him from ringing up Radio Pacific during his show. . .

Partly it's because they know Hide to be exceptionally bright (he has degrees in zoology, botany, resource management and economics, the latter two being master's degrees), and also because, as evidenced in his work on books like Sir Roger's *Unfinished Business*, ACT's finance spokesman knows his political stuff. Hide loves the thrill of the chase: when he gets excited during political discussions, a rhapsodic glint appears in his eye and he starts to wave his hands about and cackle. . . "If you want more state, vote Alliance with gusto! If you want more choice, vote ACT with gusto! If you want . . ." suddenly, he runs out of steam. "Hell, I dunno what you'd vote Labour with gusto for."

After whacking out a press statement lambasting National leader Jim Bolger (who was at that moment negotiating with New Zealand First demagogue Winston Peters), he invites us

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*"The more I think about it — I get more radical as I get older," Roger Douglas told me.*

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on a tour of Parliament. As we walk down a hallway he spies an MP from the leftist Alliance Party, and arranges a brief debate for the television news that evening. ("You've got to fight these lefties every chance you get!"). During a brief stop at a restroom whose toilet is broken, Hide observes, "Isn't that just like the government — after 150 years, they can't even get piss to flow down from the eleventh floor!" Then it's off on a tour of Parliament, where Hide promptly gets lost. We find our way to the main chamber, where he notes the battle monuments that line the walls, and reflects on the calousness of past Parliaments that have sent so many New Zealand boys off to die. He explains to me how votes are conducted and wonders whether as a back-bencher he'll have much impact in the 120-member body.

We leave the building, and he points across the street to the Old Government Building. "That building is the largest wooden-framed structure in the Southern Hemisphere," he says, "and it used to house the entire government. Now it houses just the offices of the law faculty at a local university. You know, we're always saying that such-and-such is the biggest this-or-that in the Southern Hemisphere. Of course, that's not saying too much, as there's not much else here except Antarctica, Australia, Africa, and those little bits that hang off the bottom of Mexico."

But mostly Hide talks about his agenda: opposing the leftists in Parliament at every turn and making life as uncomfortable as possible for the compromising Nationals. As to his concern that he'll have trouble being heard from in Parliament . . . well, I don't think he has much to worry about.

I was thinking of Hide when I mentioned to Sir Roger Douglas that ACT had attracted some extremely talented people. "I think there is a danger that in some ways people like Rodney [Hide] and Richard [Prebble, Leader of ACT in

Parliament] are so talented that they might lose sight of what they're on about. They might end up loving the game more than the end result. I've told them that. So I'm not saying anything to you that I haven't said to them. Rodney is going to be a star out there. Rodney's got a great intellect. There's going to be some bad legislation coming up, and Rodney's going to make a great speech and it's going to be funny — he's going to get up and he's going to tear it apart. But at the end of the day, what's going to be important is whether he has acted within a strategy and a framework to achieve an end goal. He already has the media's ear, but you see if he doesn't watch it they'll stereotype him as a bull terrier. I think Rodney's too smart to let them do that. He needs to decide what's his strategy, what he wants to accomplish over a period of time. He's uniquely placed to make an enormous contribution. He will make it."

The Libertarianz are an even newer party, launched only 98 days prior to the 1996 election. Its leader is Lindsay Perigo, at one time New Zealand's most prominent media personality, host of New Zealand Radio's *Morning Report* from 1979 to 1984, and of TVNZ's most visible news programs from 1984 to 1992, when he had a status more-or-less analogous to Ted Koppel's in the U.S.

Perigo was a conventional socialist until 1980 when he, in his words, "encountered some crackpot writer named Ayn Rand and became weird [himself]." Over the next several years, his libertarian views gradually left him disenchanted with New Zealand broadcasting. In 1993, he quit and denounced its news as "braindead," touching off a national controversy that raged for months.

In 1994, he launched *The Free Radical*, a delightful political magazine publishing a variety of libertarian thinking, with an emphasis on Objectivism. In 1995, he found financial backing for a national libertarian radio network, which he christened Radio Liberty. It failed a year later, and its funder went bankrupt. Today, Perigo hosts a call-in radio program each Sunday morning on Radio Pacific, a national network.

His radio broadcasts begin with ten minutes or so of commentary — generally a verbal *tour de force*, cheerful, witty, brilliant, and utterly vicious toward those invasions of liberty that he has decided to focus on that day. The remainder of the program consists of interviews with guests and call-ins, punctuated with special "Sieg Heil!" awards to various government bodies and "Free Radical" awards to individuals who resist the compulsion of the "nanny state." It is by a wide margin the best talk radio I've ever heard.

He's just as brilliant and funny in conversation as he is on the radio — or as was his campaign for Parliament. A key campaign prop was a life-size cardboard stand-up photograph of him, unshaven, a cigarette dangling from the corner of his mouth, clad in jeans and a "Politically Incorrect" t-shirt. Here's a sample press release from his campaign:

Libertarianz leader Lindsay Perigo has condemned the failure of other political parties to respond to the offer of a noble sacrifice made last week by the Minister of Women's Affairs, Jenny Shipley. "Mrs. Shipley said that the Ministry of Women's Affairs would be abolished over her dead body," Perigo recalls. "For her to volunteer such a bonus in addition to ridding New Zealand of this expensive, sexist scam demonstrates a touching degree of public-spiritedness."

*continued on page 31*

## Politics

# The Art of the Possible

*by Sir Roger Douglas*

*In 1984, Roger Douglas proposed a program of radical reforms that would make New Zealand perhaps the freest country in the world. Time and again, he and a small corps of Labour Party leaders overcame vested interests, ingrained dependency on government, and even opposition within their own party — doing it so effectively that years later, not a single key aspect of their free-market revolution has been successfully challenged.*

*Here Douglas explains how to make libertarianism “the art of the possible.”*

Politicians worldwide tend to avoid reform until it is forced upon them by some costly economic or social disaster. They close their minds to the obvious need for change because they believe that decisive action will automatically bring political calamity upon them and the government. As the country drifts closer to crisis and the problems are no longer deniable, they persuade themselves that to do anything within a relatively short time of an election would give the advantage to their political opponents. They justify this stance by pretending that their opponents are deceitful and interested only in their own gain, not the well-being of the country. When the economic situation is finally serious enough to arouse public concern, political parties often continue to evade the issue by offering electoral bribes to distract voters from the real problems or, alternatively, as has been happening in New Zealand recently, try to divert public attention by casting accusations and unsubstantiated rumors of wrongdoing on the part of other people in the community.

None of this need be the case. I would argue, in direct contradiction to these beliefs, that political survival depends on making quality decisions; that compromised policies only lead to voter dissatisfaction; and that letting things drift is the equivalent of political suicide. Politicians can be politically successful while undertaking structural reform to benefit the nation. They do not have to wait until economic or social disaster forces their hand. The lessons learned from New Zealand since 1984 are clear: where policies of real quality have been implemented — taxation, financial market reform, state-owned enterprises and labor market reform — the polls show continuing voter approval. Wherever the government stopped short of instituting policies of such rigorously high standard — in the reform of education, health and welfare — the polls show rising disapproval from the public.

Quality decisions are the key to the reforming of a country's infrastructure and to political success in government. New Zealand's story provides the evidence. The politicians who sought success through *ad hoc* solutions which evaded the real problems damaged the nation and eventually destroyed their own reputations. Voters ultimately place a higher value on improving their medium-term prospects than on action that looks good in the short term but sacrifices larger and more enduring benefits. For any politician, the most basic of choices is always there. You can accept the initial costs and temporary discomfort in exchange for the good times that will come a few years ahead, or focus on immediate satisfaction and find yourself sandbagged by the accumulated costs at some unexpected time in the future.

These concepts are not foreign to the public. People accept low incomes as students to earn more later. They save for their old age and willingly invest in a better future for their children. When all the facts and information are made eas-

ily available, the ordinary people of any community show over and over again that they have a strong grip on reality and common sense. They want politicians to have guts and vision. The problem with so many politicians today is that they look for instant popularity as the key to power. Therefore, they look for policies with instant appeal. But there is no free lunch and every decision involves trade-offs which do not vanish just because some politician chooses to ignore them.

The problem with compromise policies is simple. Ultimately, they do not produce the right results for the public. So they come back to haunt the politicians responsible for them. As costs and distortions accumulate, the governments involved resort to misrepresenting and suppressing vital information about future economic prospects in order to warp the judgment of the voting public. Too often in the past they have ended up locking themselves and the public into their own nonsense. No one escapes until a major crisis liberates the suppressed information and consigns the politicians responsible to oblivion.

Objectives set on the basis of maximum benefit to the nation in the medium term, and the means to achieve them, must be tested against the best available economic analysis

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*If action is not taken fast enough, the consensus that supports the general reform process can collapse before the results become evident.*

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and all known facts before they are implemented. Traditional preconceptions or prejudices about means should not be allowed to prevent a thorough review of all the options and the selection of the approach most likely to achieve the chosen goals. Prejudice and preconceptions are obviously at work in welfare, health and education in many countries around the world today.

**Political Lesson:** *If a solution makes sense in the medium term, go for it without qualification or hesitation. Nothing else delivers a result that will truly satisfy the public.*

Decisions made on this basis do not treat problems separately. Instead, they take account of the way social and economic issues are linked and make use of those connections so that every action resulting from policy decisions improves the way the whole system works.

New Zealand's experience since 1984 provides an important insight into the nature of political consensus which is widely misunderstood here and around the world. The conventional view is that consensus support for reform must exist before you start; otherwise the action taken will not prove to be politically sustainable at election time. The tendency instead is to seek consensus in advance with interested parties by compromising the quality of the decisions — bringing the benefits up front and either ignoring the costs or pushing them further down the track by some means or another.

But when the government compromises its decisions for immediate advantage, at the expense of the medium term, the public becomes more and more dissatisfied as time passes. The problem is that the interests of the many differ-

ent groups in society are complex and diverse. None of them welcome the idea that their traditional privileges may be removed. If you try to get them together to agree to a program, they will work instead to protect their respective interests at the expense of the taxpayer and consumer.

**Political Lesson:** *Consensus among interest groups on quality decisions rarely, if ever, arises before they are made and implemented. It develops after they are taken, as the decisions deliver satisfactory results to the public.*

Governments need the courage to implement sound policies, take the pain at the beginning, and be judged on the basis of the good results that follow later. Many of the tax reforms implemented by the Labour Government between 1984 and 1988, especially the introduction of GST, are good examples of that. By taking the approach we did, Labour won an increased majority in 1987 and remained in front in every opinion poll until the Prime Minister, David Lange, unilaterally reneged on government policy announcements, which included a flat tax rate of 23 cents in the dollar in personal tax and an asset sales program of \$14 billion. The government then dropped well behind and never recovered, despite the resignation of David Lange as Prime Minister in 1989. Once he lost the nerve required to take a consistent medium-term approach and to make quality decisions, the result of the 1990 election became a certainty — a huge and humiliating Labour loss.

There are ten key principles for politically successful structural reform. Here we look at each of these ten principles in detail.

## **First Principle: For Quality Policies, You Need Quality People**

Policy starts with people. It emerges from the quality of their observation, knowledge, analysis, imagination and ability to think laterally so as to develop the widest range of options. Replacing people who cannot or will not adapt to the new environment is pivotal. Getting the incentives and structure right can also transform the performance of many dynamic and capable people who were not able to achieve the right results under the old system.

Since deregulation, management quality in the private sector has improved dramatically. The success of the public-sector reforms begun in New Zealand in 1984 has depended on people as much as policy. For example, in health, education and social welfare, the old public-service appeal system has been abolished, and chief executives are appointed on merit and are accountable for performance in much the same way as CEO's in the state-owned enterprises such as Electricorp and New Zealand Post.\* However, top managers are not yet convinced that politicians have learned the limits of their role in the new system. They continue to fear that political interference in the running of departments could prejudice their ability to achieve the goals set for them. The full potential for reform in this area cannot be realized until ministers learn to play their new role correctly and let managers reach the agreed outcomes efficiently.

The biggest problem in New Zealand, however, is the

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\* The public-appeal system was a cumbersome procedure that virtually made the management of government departments a self-perpetuating elite.



caliber of the people attracted to and selected for political candidacy of both the Labour and National Parties. In a two-party system, the public interest cannot be met unless both parties adopt a broad spectrum approach that is widely representative of the community. For example, the Labour Party tends to draw many of its active members from among trade unions, the teaching and legal professions and academe, while National draws mainly on farmers, lawyers and small-business people. This tendency towards a relatively narrow active membership base can create problems for both parties. They inevitably select people representative of their membership, not the wider community. Parties become, in a sense, closed societies. Candidate selection begins to tap into an inadequate gene pool. As a result, the quality of policy suffers. Those in the community with the capacity to break that closed-shop system find the parties too inward-looking to bother doing so. If people want to break that cycle, we will have to recognize that parties cannot and will not solve those problems for us. They are locked into their own inadequacies.

**Political Lesson:** *There will be a solution to the problem of poor-quality candidates only if enough people with courage, education and vision are willing to do something worthwhile for their country in the political area.*

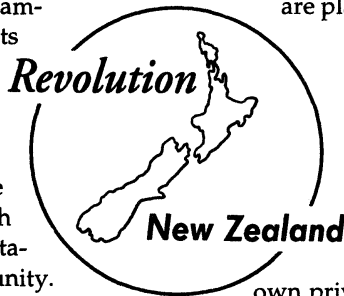
The low status of politicians in the community results from the short-sighted, excessively partisan approach so many take to their responsibilities. At the same time, too many high-caliber people are content just to criticize from the sidelines. As long as things continue this way, we will wait in vain for good government in democratic countries. Things will improve only if enough people take the trouble to get involved. They have a responsibility to ensure that good candidates are available in all parties. It is absolute nonsense to think that existing parties have a monopoly on quality ideas. If countries place quality at the heart of everything they do, they will break the old molds which discredited politics and politicians and led too many countries into avoidable economic calamity.

## Second Principle: Implement Reform in Quantum Leaps, Using Large Packages

**Political Lesson:** *Do not try to advance a step at a time. Define your objectives clearly and move towards them in quantum leaps. Otherwise the interest groups will have time to mobilize and drag you down.*

The political problems involved in making a conventional attack on protection are well understood. The benefits of protection are substantial in the hands of the favoured few who receive them. Such groups are usually well organized. They usually scream blue murder if anyone threatens to remove their privileges. They are capable of mobilizing quite powerful opposition against reform. The problem is that the cost of protection, however large in total, is relatively small per person per item. It is widely dispersed across the rest of the economy and often invisible to the people paying the bills. Therefore, they are weak and disorganized allies of reform at best. At worst, their ignorance may be exploited by the inter-

est groups in campaigns to convince them that reform will damage the general interest. This is happening at present in both education and health. In New Zealand, and the rest of the world, the conventional perception is that reformers are playing against a stacked deck.



**Political Lesson:** *Genuine structural reform is portrayed as equivalent to willful political suicide. That rule holds good where privileges are removed one at a time in a step-by-step program. Paradoxically, it ceases to apply when the privileges of many groups are removed in one package.*

In that case, individual groups lose their own privileges, but simultaneously they no longer have to carry the cost of paying for the privileges of other groups in the economy. It is also harder to complain about damage to your own group when everyone else is suffering at least as much, and you benefit from their loss. Whatever its own losses, each group has a vested interest in the success of the reforms being imposed on all the other groups.

Packaging reforms into large bundles is not just a gimmick. The economy operates as an organic whole, not an unrelated collection of bits and pieces. Structural reform aims to improve the quality of the interactions within the whole. When reform is packaged in large bundles, the linkages in the system can be used to check that each action effectively enhances every other action. It also improves its selling potential.

**Political Lesson:** *Winning public acceptance depends on demonstrating that you are improving opportunities for the nation as a whole, while protecting the most vulnerable\* groups in the community.*

Large packages provide the flexibility needed to demonstrate that the losses suffered by any one group are offset by worthwhile gains in other areas for the same group. The public will take short-term pain if the gains are spelled out convincingly and the costs and benefits have been shared with obvious fairness across the community as a whole. Generally, fairness does not include compensation for those who are losing their past privileges, but even they make genuine gains after they come through the period of adjustment.

If insufficient consideration is given to these balances, the reactions of aggrieved people forced to take more than their share of the costs will end up tearing the reform process apart. In my view, the principle of quantum leaps and big packages provides the answer for New Zealand and other countries where opposition to reform has created problems recently.

## Third Principle: Speed Is Essential. It Is Almost Impossible to Go Too Fast

Even at maximum speed, the total program will take some years to implement. The short-term trade-off costs start from Day One. When reform has been delayed for many years, those costs are considerable. Tangible benefits take time to appear because of the time lags that are part of any system of reform. If action is not taken fast enough, the consensus that supports the general reform process can collapse before the results become evident, while the government is

still only part-way through its reform program.

There are serious dangers in seeking to hold back the rate of change in order to satisfy groups who claim a slower pace would give the community more time to adjust with less pain. Policy cannot be fine-tuned with enough precision to ensure that, for example, inflation will be reduced successfully by a modest and targeted amount every year over an extended period. If an attempt is made to do so, it takes only a modest error or miscalculation of external circumstances to end up going backwards instead of forwards, and destroying your credibility in the process. Vested interests seeking to preserve past privileges will always argue strongly for a slower pace of change. It gives them more time to mobilize public opinion against the reforms. On the other hand, vested interests cannot get the payoffs from change until the government has moved far enough to reduce the costs imposed on them by the privileges of other interest groups.

**Political Lesson:** *Vested interests continuously underestimate their own ability to adjust successfully in an environment where the government is rapidly removing privilege across a wide front.*

On closer analysis, many apparent demands for a slower pace are actually expressing powerful resentment that the government is not moving fast enough to abolish privileges enjoyed by other groups. In New Zealand, from 1984 on, farmers demanding a reduction in the rate of change regularly said they needed it because of the costs still imposed on them by excessive protection elsewhere in the economy. They cheered up whenever the government responded by announcing further and faster changes in the sectors where protection was still prejudicing their ability to act competitively. Properly understood, complaints of that kind are reasonable. Farmers cannot be fairly asked to face up to their

lose their redundancy pay-out. The result was deep and intense bitterness, which the government interpreted as hostility, primarily to the policies themselves, and so further eroded its willingness to take action. Once decisions were announced, the mood in those regions improved rapidly. A lot of the people always knew change was inevitable. The public often shows more realism than the politicians. What they really wanted was an end to the uncertainty, so that they could decide how to get on with their lives.

A great deal of technical debate has gone on worldwide about the best order for reform and the alleged sequencing errors of governments, both here and elsewhere. Those arm-chair theorists postulate the desirability of tackling the labor market or the tradeable-goods market before embarking on the deregulation of sectors such as finance, for example. At a purely analytical level the debate is entertaining, but no clear-cut answers emerge. Moreover, as a practitioner of reform, I find the question fundamentally irrelevant. Before you can plan your perfect move in the perfect way at the perfect time, the situation has already changed. Instead of a perfect result, you wind up with a missed opportunity. Some decisions take full effect the day they are made. Others take two to five years of hard work before they can be fully implemented. Perfect sequencing, even if it existed, would not be achievable. If there is an opportunity to implement a reform that makes sense in the medium term, grab it before the moment passes. When an economy is stalled and failing, what matters is to get it moving towards a better future as soon as possible.

#### **Fourth Principle: Once You Build the Momentum, Don't Let It Stop Rolling**

**Political Lesson:** *Once the program begins to be implemented, don't stop until you have completed it. The fire of opponents is much less accurate if they have to shoot at a rapidly moving target.*

If you take your next decision while opponents are still struggling to mobilize against the last one, you will continually capture the high ground of national interest and force them to fight up hill. The government can develop public awareness of the key issues by structuring the content and sequence of its packages to dramatize the relevance of basic economic linkages.

By the end of 1985, for example, adjustment costs were biting quite deeply into pastoral farming, which had lost some large subsidies and was also facing low international commodity prices. Land values were tumbling back from the inflated levels stimulated by the previous government's assistance measures, and equity problems of considerable magnitude had begun to emerge. Nevertheless, resource allocation in farming and forestry was still being distorted by large concessions that let people write off livestock and development costs against other taxable income. People buying livestock were happy to pay prices up to two or three times the value justified by market returns because they knew that the taxpayer was covering two-thirds of their costs.

Tax write-offs had led the wine industry to plant twice the acreage needed to satisfy the market, and boosted the amount of some varieties of wine held in stock to three

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#### *Consensus among interest groups on quality decisions develops only after they are taken.*

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own adjustment costs if manufacturers of their supplies continue to enjoy the protection of high tariffs. Nor should they be asked to operate without subsidies and still be expected to afford to pay for the excessive costs of monopoly health and education systems.

**Political Lesson:** *It is uncertainty, not speed, that endangers the success of structural reform programs. Speed is an essential ingredient in keeping uncertainty down to the lowest possible level.*

When state trading departments were being transformed into commercial corporations in New Zealand in 1987, it became obvious that there would be large-scale redundancies in the coal and forestry areas. Because some of these activities were located in depressed areas, the government took its time to make the final decision, leaving thousands of employees in limbo for about six months. Staff knew that some of them had no future in the industry, but did not know which of them it would be. They could not leave before the government made up its mind because they might

years' supply against an international norm of half that. The government decided that, despite the adverse climate and the increased cost for those concerned, all such concessions had to be removed to promote the medium-term health of their industries.

To combat the inevitable outraged reaction, we moved the whole reform program into a higher gear. In the same package, we announced an unprecedented onslaught on public-sector waste. State-owned businesses accounting for 12.5 per cent of GDP and 20 per cent of the nation's investment became corporations with commercial objectives, and they were headed by directors of quality drawn from the private sector. They were to pay normal tax and dividends and raise their capital in the market, without the aid of government guarantees. The changes dwarfed any in our past public-sector history. Through corporatization, Electricorp has cut costs by a real 20 per cent. Telecom did even better than that. Rail-freight rates are down by about 50 per cent in real terms. Coal prices to some major customers have been halved.

Farmers in New Zealand have traditionally loathed the Labour Party. But moves on that scale convinced them that we meant business in getting their costs down as well as removing their subsidies. Federated Farmers became one of the first major interest groups to endorse the principles behind our reforms. From then on, their aim was to ensure that the government lived up to its promises. The New Zealand Business Roundtable, representing large corporations forced to undergo massive and costly restructuring, also rapidly recognized the medium-term benefits to the nation. The underlying process is very important.

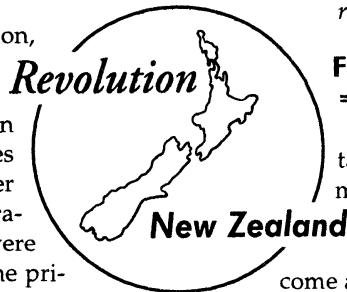
**Political Lesson:** *Before you remove the privileges of a protected sector, it will tend to see change as a threat which has to be opposed at all costs. After you remove its privileges and make plain that the clock cannot be turned back, the group starts to focus on removing the privileges of other groups that still hold up its own costs.*

Exactly the opposite process occurs wherever some favoured group is allowed to retain its privileges and given ongoing protection from the broad thrust of the reforms. Anxiety levels in protected groups rise steadily as reform progresses through the rest of the economy. They fear their turn may come next. Their internal organization improves dramatically. They raise their public profile and consolidate their opposition. To conceal their vested interest in exemption from reform, they will aim to dictate the rhetoric that governs all public debate — exactly what is happening in both the education and health fields today. Efforts to improve the quality and quantity of health services for ordinary New Zealanders are portrayed as replacing public care with private profit at the expense of the ill and the elderly. The strategy of this rhetoric is to obliterate public awareness of all medium-term benefits, exaggerate the short-term costs, and portray those costs as the objective and sole result of reform.

Those groups end up making strenuous efforts to gain control of the political process in the reforming party, and to stalemate any threat to themselves by terminating the total

reform program.

**Political Lesson:** *Stop the rot before it begins. Remove privilege even-handedly across the board and give such groups, along with everyone else, a more constructive role in a better society.*



### **Fifth Principle: Consistency + Credibility = Confidence**

Untarnished credibility is essential to maintain public confidence in structural reform and minimize the costs. The key to credibility is consistency of policy and communications.

The voting public has seen governments come and go, all of them promising low inflation, more jobs and higher living standards. But for years, life has gone on, exactly as it always used to. A government serious about reform must take the first step early, and make it a big one. You have to break the pattern of the past dramatically enough to convince the community that, this time, somebody really does mean business.

**Political Lesson:** *When the government lacks credibility people refuse to change until the clash between their old behavior and the new policy imperatives has imposed large avoidable costs on the economy.*

As the reform program rolls forward, a lot of people start hurting. Their confidence depends on continuing to believe that the government will drive reform to a successful conclusion. Speed, momentum, the avoidance of *ad hoc* decisions, and an unwavering consistency in serving medium-term objectives are the crucial ingredients in establishing the government's credibility. Resolution is particularly important when, notwithstanding the best intentions on the government's part, the community remains skeptical about its consistency.

By 1985, New Zealand had experienced a decade of high inflation. The previous government had over-stimulated the economy. The country was just emerging from a long wage-price freeze and a large devaluation. Nothing on earth could convince people that the new government would not validate a large wage rise, as the last one had. With interest rates at 20 per cent, people were still rushing out to buy houses. In situations like that, the government wins by informing, warning, holding its policy stance totally steady . . . and then waiting for experience to drive home the necessary lesson.

You know when you start to win the credibility battle: the media begin to put every government statement under a microscope, looking for inconsistent decisions and lapses of principle. People begin to grasp the idea that wherever a group manages to hold on to privilege and protection, an avoidable cost is imposed on those who are learning to adjust. Public opinion was outraged when the government granted a quite minor subsidy to New Zealand Railways to keep the Westland-Canterbury line open. The local political advantage of the action was buried by national criticism of the government for appearing to set aside the principles that it had promoted as basic to its reforms. One day the message from the public changes. It reads, "Keep the reform process going, drive it to a successful conclusion, or you are dead at the next election."

**Political Lesson:** *Structural reform has its own internal logic based on the linkages within the economy. One step inevitably requires and leads to another, to extract benefit for the population as a whole.*

Abolishing export assistance is fruitless unless exporters' costs are also reduced by lowering tariffs, deregulating internal transport and reforming ports and shipping services. The fiscal gains from corporatization or privatization will vanish without a trace if expenditure in an unreformed social-services sector is left to rise without regard for value. The redundancies created as production is rationalized to improve efficiency may turn into more or less permanent unemployment if an inflexible labor market protects insiders against outsiders. Where the logic of reform is not followed closely enough, the confidence of investors will be damaged and the ultimate growth rate may be less than it would have been.

Credibility takes a long time to win, but it can be lost almost overnight. Confidence then collapses. The costs of the

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*Nobody stops to think that what people may really want is politicians with the vision and courage to help them create a better country for them and their children.*

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adjustment rise. The time required to complete the process and bring in the gains expands. The political risk increases. In the wake of the sharemarket crash of 1987, for example, many countries sought to soften the political and financial impact on the community by easing back on their monetary policies. The dragon of inflation leapt back to life. Those countries have been faced with the costs involved in slaying the dragon for a second time.

**Political Lesson:** *The battle for consistency and credibility is always ongoing and never finally won. It is central to every decision that comes before the government for consideration. Winning back lost credibility can take longer than winning it in the first place. If confidence starts to waver, push the reform program forward the next big step, and do it quickly.*

### **Sixth Principle: Let the Dog See the Rabbit**

People cannot co-operate with the reform process unless they know where you are heading. Go as fast as you can but, where practicable, give the community notice in advance. Where programs can or will be implemented in stages over time, publish the timetable up front. In this way you show that you know where you are going, commit the government to the process, let people know how fast they have to adjust, and reinforce the credibility of the whole program. Such an approach is particularly important in areas such as the removal of import licensing and reductions in tariffs, which impose major changes in the way firms go about their business. Decision-makers must be able to see as much as possible of the total change affecting their businesses in the period ahead in order to plan effective adjustment.

In November 1984, the government indicated that in

roughly two years' time wholesale sales tax would be abolished, GST would be introduced, and income-tax rates would be cut. By early 1988, the top marginal rate of income tax, which had been 66 per cent when Labour took office in 1984, had been reduced in two stages to 33 per cent and company tax had also been cut from 45 per cent in 1983/84 to 33 per cent. The December 1987 Economic Statement extended corporatization of state trading enterprises into a large privatization program designed to help cut public debt by \$14 billion by late 1992.

This approach has several very substantial advantages. First, the government was committed to perform in line with that target or lose valuable credibility. Secondly, the community's awareness of that factor was helpful to confidence. The release of such information also places professional analysts in a position to make their own independent evaluation of progress and government performance. They understand the importance of quality in decision-making and the benefits available in consistent medium-term policies. They are often trusted advisors of interest groups. As time passes, their objectivity, combined with their increasing goodwill towards the reform program, becomes one of the major factors in creating a favorable climate of public opinion.

The confidence of the community is further increased if private-sector people, respected for their experience and capability, are involved in helping to fine-tune policies and improve management. Panels of experts appointed from the private sector, for instance, received public submissions on the government's major tax initiatives to help remove any administrative bugs from the new systems. Our programmed and principled approach to policy was welcomed by decision-makers and opinion-formers in particular because it contrasted so markedly with the previous government's approach. For example, the wage and price freeze imposed in 1982 seems to have been the result of a moment of inspiration by the then Prime Minister, which was thereupon implemented instantly without giving anyone a chance for second thoughts.

### **Seventh Principle: Never Fall Into the Trap of Selling the Public Short**

People out there in the community fight wars when they have to. They exchange short-term costs for long-term benefits every day of their lives. They take out mortgages and bring up children. Faced with the need for reform, normally responsible politicians will confide privately, "I know it's needed but the people out there don't! Politics is the art of the possible." Middle-of-the-road MP's maintain their political security by not taking too close or detailed a look at reality: "Ups and downs are normal. Things will come right; they always do." As the problems worsen, the demagogues and opportunists move in: "We have just one problem — our political opponents are nuts! I can fix the lot with common sense and some No. 8 wire." For years at a time, while the economy drifts on towards crisis or collapse, the public is offered nothing better by way of information or diagnosis. So they give the demagogue a go. Nobody stops to think that what people may really want is politicians with the vision and courage to help them create a better country for them and their children in the year 2000 and beyond. Do not mistake the fears of politicians for ignorance, lack of courage, or

lack of realism on the part of the public.

**Political Lesson:** *Successful structural reform does not become possible until you trust, respect and inform the electors. You have to put them in a position to make sound judgements about what is going on.*

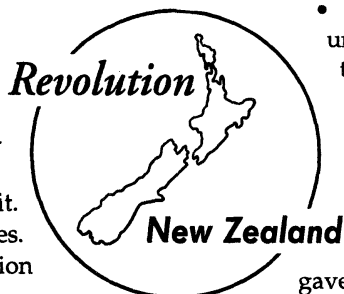
Tell the public, and never stop telling them:

- What the problem is and how it arose.
- What damage it is doing to their own personal interests.
- What your own objectives are in tackling it.
- How you intend to achieve those objectives.
- What the costs and the benefits of that action will be.
- Why your approach will work better than the other options.

People may not understand the situation in all its technical detail, but many of them can sift the wheat from the chaff. They know when key questions are being evaded. They can sense when they are being patronized or conned, and do not like it. They respect people who honestly answer their questions.

At the height of the rural crisis in 1986, I walked onto a platform in South Otago without a speech note in my hand, talked for 40 minutes and answered questions for two hours. The chairman wound up the meeting by saying that it took courage to do that and invited me to return in twelve months' time. The headline in the local paper read: Minister Puts Head Into Lion's Den. Audiences such as that one listen with interest and attention if you tell them simple truths that they are not used to hearing from politicians:

- There is no free lunch. The privilege of a favored group is always paid for by the rest of the community. The group also has less need to perform, so the whole economy finally suffers.
- Subsidies always contain the seeds of destruction of the very industries they were meant to help. You end up investing in uneconomic production that damages your own market future.
- A lower exchange rate is not the way to safeguard exporters. Farmers were better off when the New Zealand dollar was worth US\$1.35 than when it was worth 43 cents U.S. in 1985.
- Where does it stop? When the New Zealand dollar is worth 20 cents U.S., or 10¢ or 5¢? Those who argue for a lower dollar are worrying about the symptoms, not fundamentals such as getting their costs down.
- Inflation is what ruined the competitiveness of exporters in this country over the last 20 years. Unless we address that, exporters in New Zealand do not have a long-term future.
- Interest rates will always be inflation plus a margin. If inflation is 15 per cent, interest rates will be 15 per cent plus a margin; if it is 2 per cent, interest will be 2 per cent plus the margin.
- Easing monetary policy will not solve the problem of high interest rates. Six months out, instead of falling, inflation will take off again and interest rates will rise with it.



- For the last 100 years, ministers have thought they were running government departments. We now know that they had no idea what was really going on and had no real control.

- For years, politicians in New Zealand have been under the illusion that they could pick winners better than the private sector. They wasted billions for zero or negative returns.

- You can have income tax at 20 cents without incentives, or tax at 40 cents with incentives\* and have government manage your investment. You choose.

- Import licensing did not create jobs. It gave State guaranteed rip-off profits to selected people, regardless of their performance, at the expense of consumers and economic growth.

It is ridiculous to think that voters cannot absorb those messages.

### **Eighth Principle: Don't Blink. Public Confidence Rests on Your Composure**

Structural reform in New Zealand since 1984 has involved ministers in some of the most radical decisions announced to the public for 50 years or so. During major change, as the pressures from reform begin to affect the economy, the whole community starts watching every television appearance, looking for the least sign of government nervousness. Public confidence in and co-operation with the reform program can be undermined by the least twitch. Visible uncertainty among key ministers spreads like a plague through the community.

Major reform demands a change in the ideas and attitudes that most people grew up with. Such demands inevitably cause discomfort and uncertainty in many people. Government research showed that people become hypersensitive to any signs of similar uncertainty in the politicians who are responsible for the reform program. They attend meetings and watch the television news not just to find out what is happening and understand the ideas behind it, but also to probe the mood of the politicians at the helm. When they cannot understand the technical detail of the argument, they rely on their assessment of the speaker's mental and emotional condition as a basis for judgement.

It is another reason why it pays to make decisions of the highest quality. When you know you have it right, and know that the policies are on course, that comes out through people's TV screens. Knowing or believing that you have got it right provides a firm foundation for dealing with people in a relaxed, confident way when you come face to face with them, even at large meetings of quite angry people.

This is not intended to be a recommendation for arrogance. Listening to arguments from sources of every kind is enormously important to policy making, as well as to selling policies successfully. But all of that advice has to be measured against the government's medium-term goals. It is not arrogance to hold a sound course for objectives that benefit the country. I always regarded the speeches I made as Minister of Finance as a minor part of my meetings. The speech sets the framework for a question and answer session that follows it and lasts twice as long. The questions keep

\* "Incentives" here refers to direct subsidies.

you fully attuned to the changing concerns of the general public. Relaxed answers are therapeutic for everyone.

Obviously people are not going to be convinced by every word. To achieve a flexible economy, the government has to implement policies over an extended period of time. Some people who are not convinced about the direction of policy will always leave the hall marvelling more at your inflexibility than the common sense of your answers. But it improves the confidence of the community as a whole to see the politicians responsible for structural adjustment face the music and deal with public fears in a gentle, reasonable, sensible way.

### **Ninth Principle: Incentives and Choice Versus Monopoly — Get the Fundamentals Right**

A sick economy cannot be regulated back to health. Economic dynamism is the liberated energy of people at every level personally choosing and using opportunities that benefit them. Government's role is to construct a framework that increases their choice, improves the incentives for productive activity, and ensures that their gains also benefit society as a whole. In other words — remember whose side you

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*Governments need the courage to implement sound policies, take the pain at the beginning, and be judged on the basis of the good results that follow later.*

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are on. The purpose of economic activity is to satisfy the needs of consumers, to serve their interests and improve their lives. Government is not there to protect vested-interest groups, be they farmers, manufacturers, teachers or health workers, at the expense of the public. Its role is to ensure that vested interests cannot thrive except by serving the general public effectively.

In command economies, governments made all the important decisions on behalf of the general public, in order to protect people from vested interests. Since the revolution of 1917, that theory has been tested to extinction. The power government used to make those decisions was power taken away from the people themselves. Government became the most oppressive vested interest of all. Here in New Zealand, the government, in its past domination of areas such as coal mining, electricity, education, health and welfare, had gone a fair way in that direction. Our attention was focused on the supposed benefits of regulation without regard for the wider costs imposed. According to that kind of false and partial accounting, regulation will seem automatically to improve the public good.

**Political Lesson:** *The abolition of privilege is the essence of structural reform. Wherever possible, use your program to give power back to the people.*

No one should be surprised, therefore, that major deregulation was introduced in New Zealand by a Labour Government. Labour recognized that wherever power exists, vested interests will cluster, trying to convert it into privilege for themselves. Labour recognized that inefficiency created

by monopoly privileges on the waterfront has exactly the same kind of adverse impact on the lives of working people as the privileges farmers or manufacturers might enjoy.

### **Tenth Principle: When in Doubt, Ask Yourself, "Why Am I in Politics?"**

Conventional politicians ignore structural reform because they think they are in power to please people, and pleasing people does not involve making them face the hard questions. They use the latest polls to fine-tune their image and their policies, in order to achieve better results in the next poll. In other words, their aim really is to be in perpetual power. Their adherence to policies which focus on their immediate problems, rather than the country's future opportunities, brings accumulating difficulties. It becomes increasingly clear to people that the problems have not been solved and that opportunities have been thrown away. And so, such governments are voted out.

Genuine structural reform carried out fairly and without compromise delivers larger gains in living standards and opportunity than those achievable by any other political means. Conventional wisdom says that the unwelcome short-term costs that result from major reform make structural change a form of electoral suicide. However, in 1987, after the most radical structural reforms in 50 years, Labour fought the election on a platform that the job was only half done and that we alone had the courage and know-how to finish it. The government was returned with all the seats it won in the landslide 1984 election and took two more seats from the opposition. Voters wanted the job completed and they wanted it done right.

But after the election the government lost some of the momentum that had sustained the reform program in its first three years. The vested interests were able to marshal a counter-attack. The then Prime Minister sought to re-establish a consensus by calling for a "breather." David Lange felt that some people needed time to catch up with the changes already made. He also feared that continuing reform would inevitably change some traditional social sector policies.

Protected groups within the community, looking for ways to arrest the process of change before it affected their interests, and if possible turn the clock back, seized their opportunity. The government became polarized internally between those who wanted to advance the process of reform a stage further, to bring even better results, and those who wanted to call a halt. A stalemate developed. The government lost its ability to take account of the ten principles described here. Confidence was lost in public uncertainty about the future direction of policy. And so the inevitable happened — in the 1990 election Labour lost by an even greater margin than it had won by in 1984 and 1987.

Credibility and consistency can be maintained only in the context of a disciplined Cabinet which works through the issues and stands behind every decision collectively taken. In my view, there is one force which is always capable of undermining the process of structural reform — the government itself when it loses sight of its own primary objectives. If the discipline of collective Cabinet decision making and collective Cabinet responsibility breaks down, the way is open for interest groups to regain control of the game. Regrettably, that was what started to happen in New Zealand. □



continued from page 22

It is most remiss of the major parties not to have taken Mrs. Shipley up on her kind offer. Apparently it is left to us Libertarians to do so, since we are the only party proposing the abolition of the Ministry. As leader I look forward to discussing with the Minister how we might facilitate her involvement as proposed."

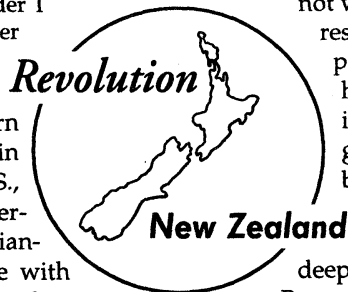
Given Perigo's wit, it surprised me to learn that his libertarianism has its roots in Objectivism. In New Zealand, unlike the U.S., involvement with Objectivism does not generally involve a humorectomy. "I view libertarianism as a political-ethical principle only, one with which I heartily concur," he says. "I also take the view that this principle is not a primary — it requires validation. I believe the Objectivist validation is the only correct one. But I don't believe that this requires me to regard people who validate it differently, or who say no validation at all is required, as enemies."

The Deputy Leader of the Libertarianz is Deborah Coddington, another Objectivist. She's the author of *Turning Pain Into Gain*, an excellent account of New Zealand's Revolution, and a columnist for *Metro*.

In sum, libertarians in New Zealand, whether of the ACT or Libertarianz variety, have attained positions of prominence and influence in the media and politics that dwarf those of American libertarians. Despite this success, they get along with one another even worse than their American equivalents.

When I spoke of Perigo and the Libertarianz to Rodney Hide, his response was: "The best thing that ever happened to us [ACT] was when the libertarians left!" Roger Douglas told me that Perigo was "a sad case." Perigo calls ACT the "Association of Compulsion Touters" and comments on Hide in terms so personal that I won't repeat them here.

On my final evening in New Zealand I attended an Auckland gathering of Libertarianz, an extremely bright and talented group of people. I spoke for a few minutes about what I'd observed in New Zealand, mentioning in passing that the libertarian movement in New Zealand was broken into two very hostile factions. The reaction from those present was immediate and emphatic. "You're going to go back to America and tell people that ACT is libertarian!" they protested. When I explained that I considered anyone who favored radical reduction of government power to be



resulted in prosperity. I responded by asking whether the Libertarianz would support liberty if it led to misery and the destruction of humanity. Perigo's response, one with which it appeared all there agreed, was that my question was not worth considering since liberty would necessarily result in prosperity, not misery. I decided not to point out that it was no more counterfactual than his proposition that statism might lead to prosperity. It was obvious to me that something else was going on here: either some personal history between the Libertarianz and ACT, or a Randian obsession with rights-think. Or both. Either way, I didn't want to delve any deeper at the time.

Part of the Libertarianz' hostility, no doubt, lies in the fact that ACT attracted far more votes on election day. While ACT finished fifth, with 126,421 votes, the Libertarianz finished 19th with just 671 votes, behind numerous parties, some of them frivolous (i.e. the "McGillicuddy Serious"), others just plain nutty ("Animals First"). Obviously, the Libertarianz would have done better if ACT hadn't been in

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*Hide is a pit bull who speaks with a Kiwi accent so powerful that perhaps 20% of what he said was unintelligible to me. But the remaining 80% was high-powered, brilliant, and often outrageous.*

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the picture. (After the election, Perigo thanked "the 600 or so who resisted the temptation to betray their consciences and gave the Libertarianz, not ACT, their party vote.")

It is equally obvious that ACT would benefit from participation by the Libertarianz. Right now ACT party literature is a bit pedestrian. Its party program, "Common Sense for a Change," runs some 82 pages, of which some 40 contain tables or graphs. Twenty pages were devoted to spreadsheets detailing how various ACT proposals would affect the after-tax income or retirement benefits or some such for citizens in various situations with income increments of \$2,500. There's nothing like 20 pages completely covered with columns of numbers to win the hearts and minds of voters! The Libertarianz, on the other hand, hadn't worked out the impact of their program in such detail — but they explained their program in terms both literate and witty. A synthesis of the two approaches might have worked better than either alone.

I am tempted to say that the two groups would benefit from a cease-fire. But in reality, they aren't firing at one another: it's pretty much a case of the Libertarianz firing at ACT, probably in an attempt to staunch the flow of moderate libertarians to ACT because of the "wasted-vote" argument. So I don't hold out much hope.

But whether it would be possible for the Libertarianz and ACT factions to cease their hostilities I am not sure. The Libertarianz are committed to a much more radical agenda than is ACT. For Roger Douglas, politics has always been the art of the possible, and ACT reflects this more incrementalist approach.

—R. W. Bradford

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*A key campaign prop was a life-size cardboard stand-up photograph of Perigo, unshaven, a cigarette dangling from the corner of his mouth, clad in jeans and a "Politically Incorrect" t-shirt.*

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libertarian, and that on this ground, ACT's proposal to immediately reduce the income tax to 19.5% surely qualified, I was inundated with a barrage of explanations about how wrong I was. Perigo argued that ACT couldn't possibly qualify as libertarian because ACT would support statism if it

## Inquiry

# Foucault and Feminism

by Wendy McElroy

Gender feminists take on English and porn.

"Feminist scholars, many drawing on the insights offered by Michel Foucault, have urged us to develop new ways of thinking and speaking." So write the editors of *Analyzing Gender*.<sup>1</sup> In their scholarly work *Knowing Women: Feminism and Knowledge*, two more feminist editors explain why the French philosopher is quoted extensively therein: "Foucault's discourse theory and the 'post-structuralist' methods of analysis which depend on it have become very influential within feminist studies."<sup>2</sup> Since I have an antipathy to fully one-third of the words in the preceding sentence, I tend to screen out such scholarly discussions of Foucault for the sake of my digestion.

In truth, I've screened the man out even when he is quoted in more popular feminist works, such as those of Foucault fan Judith Butler, or Sharon Welsh's *Communities of Resistance and Solidarity*,<sup>3</sup> in which Welsh uses Foucauldian methodology to construct a feminist liberation theology. I've even ignored otherwise interesting works, such as Valerie Walkerdine's *Schoolgirl Fictions*, in which she declares, "How is this truth constituted? . . . Such questions, derived from the methodology of genealogy utilized by Foucault, can help us begin to take apart this truth about girls."<sup>4</sup>

Since his death in 1984, there has been a backlash against Foucault within the feminist movement — a backlash exemplified by the scholarly work *After Foucault*,<sup>5</sup> in which two

chapters take opposing views on the question, "Is Foucauldian feminism a contradiction in terms?"<sup>6</sup> In the popular press, the backlash has been expressed by the iconoclastic Camille Paglia, whose *Sex, Art, and American Culture* devotes a large part of a large essay to Foucault-bashing.<sup>7</sup>

The controversy drew me in. Why and how did Foucault influence feminism? And why are some feminists now finding fault with him? I knew that his area of influence was in the interpretation and meaning of language, and had heard his intellectual style compared to that of the deconstructionist Jacques Derrida. With that base, I began to explore Foucault's work. The answer became no clearer. True, he argued vehemently against Freudian theory, which would endear him to feminists.<sup>8</sup> But this must be balanced against his frontal attack on Marx. The touchstone "gender feminist," Catharine MacKinnon, refers to her position as "post-Marxist feminism." And many of the defining aspects of contemporary feminism — for example, the male/female class analysis and the use of terminology such as "exploitation" — derive directly from Marxist theory. Some

feminist theorists must bridle at Foucault's anti-Marxist onslaught.

Added to this blurred picture is contemporary feminists' profound bias against quoting or crediting males when charting the development of "the movement." Why, then, do so many regularly quote and credit Foucault? The answer began to fascinate me, as I came to realize that it held the key to making sense of another question that had baffled me for years: why do some feminists put so much stress on language as a source, even *the* source, of sexist oppression? Why do some women fly into rages at being called "Madam Chairman" and insist on the wholesale replacement of the generic "he" with the ungainly "he/she"?

The issue of language had led me to a dramatic encounter about a year ago. I was sitting in the lobby of a Toronto radio station that wanted to hold an on-air debate on pornography between me and the prominent Canadian gender feminist Susan Cole, an editor at Toronto's largest magazine.

To Cole, pornography is political and personal oppression, an act of violence against women that is instru-

mental in maintaining patriarchy. To me, pornography is words and images graphically depicting sex — no more, no less — and it is the anti-porn drive that is political oppression. In Canada, this debate is more than academic. Through its decision in the *Butler v. The Queen* case, the Supreme Court of Canada adopted Catharine MacKinnon's definition of obscenity nearly word-for-word into Canadian law. This 1992 court decision — which was vigorously championed by most feminists in Canada and the U.S. — allows Canadian customs to interdict and seize what it judges to be pornography. The Supreme Court acknowledged that this violates freedom of speech, but it deemed the possible harm that pornography could inflict on women to be of greater legal significance.

A year after the new law had been passed, the spring 1993 *Feminist Bookstore News* described its impact: "The *Butler* decision has been used . . . only to seize lesbian, gay and feminist material." The two primary targets had been (and continue to be) gay/lesbian or feminist bookstores — the Glad Day Bookstore in Toronto and Little Sisters in Vancouver. Customs Canada has blocked shipments to these bookstores of even innocuous material — mainstream science-fiction, for example — that any other Canadian bookstore is able to import freely.

When I drove to Toronto for the radio program, I resolved to ask Cole, whom I'd debated before, how she reacted to lesbian bookstores being persecuted by legislation that she had championed. Cole is a lesbian herself. She has fought for decades to have les-

bian literature published, plays produced, voices heard. It is not possible to doubt her commitment to lesbianism, both as a sexual choice and as an aspect of feminist ideology. Indeed, she is a friend of the owner of one customs-afflicted bookstore.

I asked my question. Cole expressed regret, although her face showed no emotion. I had the impression that she had answered this

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*These women look at words and images depicting consenting adults having sex, and see violence so profound that they draw parallels to the Holocaust.*

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questions many times, and her response was polished to a gleam. "I stand firmly behind the *Butler* decision," she said without hesitation, "and I would campaign for it again, if necessary." Lesbian bookstores were acceptable casualties in the war against pornography.

Cole's reaction reminded me of another I'd read about. One of the books seized temporarily by Customs Canada was by Andrea Dworkin — another feminist who applauded the *Butler* decision. Dworkin declared that having her work seized was a price she was willing to pay to stop pornography. To appreciate the depth of sacrifice represented by her declaration, it is important to understand Dworkin's egomania. This is a woman who recently demanded that a feminist petitioning her for an interview first write a lengthy letter demonstrating "familiarity with my work." Now Dworkin was willing to have that work suppressed.

Needless to say, there is what could be called "cognitive dissonance" between my position on pornography and that of Susan Cole, Catharine MacKinnon, or Andrea Dworkin.

How far apart are we? Consider a statement MacKinnon made about pornography — specifically referring to *Playboy* and *Penthouse*. The statement was made during a speech she delivered to a gay lawyers association. There MacKinnon asked what would have happened if pictures had been taken at Auschwitz "and then marketed." She went on to ask why such marketing is different from pornography. The former, she declared, is recognized as an atrocity; in the latter, the people are not considered real, "because they are women."

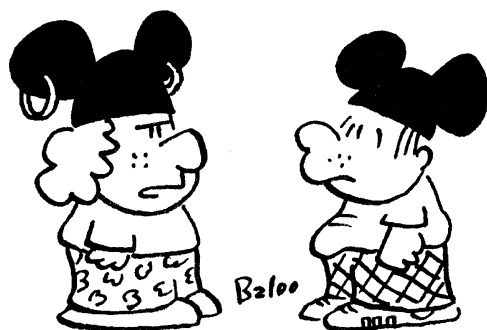
Declarations like these are the rhetorical equivalent of thermonuclear war, and there is a natural tendency for reasonable people to dismiss them. But it is important not to do so, because it is precisely such statements that allowed the 1992 *Butler* decision. In that same year, it almost led to the passage of the Pornography Victims Compensation Act in the U.S. The bill was blocked by the efforts of an organization called Feminists for Free Expression, a group composed mostly of liberal feminists who had banded together specifically to oppose that particular legislation.

So *why*? Why is it that when intelligent women look at words and images that depict consenting adults having sex, they see violence so profound that they draw parallels to the Holocaust? Indeed, Dworkin forthrightly calls pornography "genocide against women."

The answer lies in the idea of "gender," which is strongly linked to Marx, and in the interpretation of culture, which is strongly linked to Foucault.

Perhaps the pivotal book in the development of gender feminism was Kate Millett's *Sexual Politics* (1970), which argued that women throughout history had been "confined to the cultural level of animal life" by men who used them as sexual objects and breeding stock. According to gender feminists, only a profound political difference between the two sexes can explain why women are and have been the constant victims of men. There must be an unbreachable schism between the interests of men — as a class — and the interests of women — as a class.

The oppression lies within male



"Who says I can't wear earrings?"

biology itself, and, according to many feminists, pornography is the main mechanism by which the power structure maintains itself. As Page Mellish of *Feminists Fighting Pornography* declared, "There's no feminist issue that isn't rooted in the porn problem." Pornography is seen as the crucial thread in the patriarchal tapestry — pull it loose and the tapestry will unravel.

The key idea is that sex is a social construct. And this concept is basically derived from Foucault, whose land-

mark book *Les mots et les choses* appeared in 1966.

In the body of this work, Foucault argues that history and culture are indispensable in understanding sexuality. This hypothesis is not a controversial one. But then Foucault introduces the idea of an *episteme* (Greek for "knowledge"). A culture's episteme is a single and self-enclosed totality that includes its language, attitudes, ideas, science: it is all the paradigms of that society. It is the way that a specific culture or era approaches the world.

As history progresses, one episteme replaces another. That of the Middle Ages is replaced by that of the Renaissance; then a new era is said to dawn. The destiny of words and things — the literal translation of his title *Les mots et les choses* — is intertwined. The episteme determines how the people within that era think. It determines who they are and what they will do.

Take, as an all-important example for feminism, the human body. Most philosophers assume that there is a pre-cultural human body. In other words, they assume that history and culture do not alter the permanence of mankind's biology. But for Foucault, the human body lives in the episteme — it lives in a culturally constituted world. By this he means that the human body is constructed by society: the body is a "social construct." Even its physiological "givens" have been produced by the medical science of our time.

Foucault devotes an entire treatise, entitled *The Birth of the Clinic: An Archaeology of Medical Perception*, to the study of what he calls the "medical gaze," which he says determines the human body. It is through the medical gaze that the body is objectified and converted into a well-ordered thing that medicine then seeks to control through surgery, diet, drugs, and so forth. But the medical gaze of the eighteenth century was

different from that of the twentieth century. The episteme was different. Therefore, the eighteenth-century human body was different from the twentieth-century one. The body itself is redefined by each society that examines it.

The most important factor in defining the human body and sexuality are the texts that are written and spoken about them. Consider the Victorian era. A common approach is to look at its plays and books, its songs and newspapers — in other words, its texts — and to conclude that they reflect a repressed, sexually horrified culture. Foucault sees exactly the opposite, that the *society* reflects the *texts*. The texts cause the society, and not vice versa. The texts cause the repression.

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*In short, anyone who claims women's sexuality comes from biology is blaming the victim for her own oppression.*

---

In her essay "Foucault, feminism, and questions of identity," Jana Sawicki explores a contemporary example of this phenomenon. She argues that our beauty culture, "with its 'tyranny of slenderness,' produces pathological forms of subjectivity that might also be understood as a crystallization of the cultural production of 'normal' femininity."<sup>9</sup> It is important to stress: Foucault and Bordo are not saying that society is influenced by the words and images that flow through it: they are saying that the texts create the episteme of the society, which

## The Last Democrat

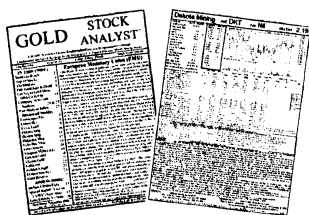
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"Of course we support the two party system — without the Democrats, we'd never get anywhere."

creates the society itself.

In her essay "Feminism, Criticism and Foucault," Biddy Martin explains of the philosopher: "His *History of Sexuality* states very clearly that discourses on sexuality, not sexual acts and their histories, are the essential place [sic] to grasp the working of power in modern society."<sup>10</sup>

Words and texts — not acts — are the keys to how power works. Remember this the next time gender feminists puzzle you by insisting on using politically correct language ('herstory' instead of 'history,' for example) or rewriting events to include the voices of women, even when those voices were insignificant to the actual events. Gender feminists are trying to correct the texts and the language that they believe define women.

Backtrack a moment to Foucault's denial that the human body, that "man," objectively exists. Indeed, for him, "man . . . is probably no more than a kind of rift in the order of things." The concept of "man" is up for grabs in Foucault's rampant relativism.

Now gender feminists come along and add the twist, "If there is no objective man, there is no objective woman either." In doing so, they reject what they call "sexual essentialism," which is the notion that sex is a natural force that exists prior to women's exposure to society or to social/political institutions. Sexual essentialism says that there is something natural rather than cultural about deeply held urges such as motherhood or a disposition toward heterosexuality. There is something natural about the general relationship between men and women which spans centuries, cultures, and religions.

Gender feminists reject such sexual essentialism, the idea that sex is based on biology. After all, according to Foucauldian-type analysis, biology itself is shifting sand with no lasting definition. Gender feminists deny that women have natural tendencies, such as motherhood. Even deeply felt sexual preferences, such as heterosexuality or homosexuality, are not seen as matters of biology but of society's ideology — which is largely determined by the texts of society. (This explains a common phenomenon in feminism about 15 years ago, when lesbian feminists urged heterosexual women to stop

sleeping with the enemy, i.e., men. Our sexual orientation was supposed to be a political choice, not a biological tendency.)

Gender feminists argue that those who consider women's sexuality to be biological are taking sides with the conservative anti-feminists who maintain that biology determines women. Biology makes women inevitably weaker than men, or less intelligent, or slated for domesticity, or . . . In short, anyone who claims women's sexuality comes from biology is blaming the victim for her own oppression.

So the idea that sex is a social construct is good news to gender feminists. After all, if sex has been constructed, then it can be deconstructed and put back together correctly. How?

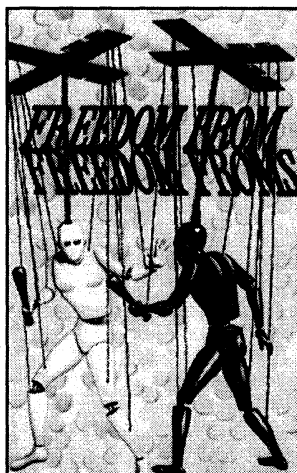
In gender-feminist theory, you have two classes of people with inherently antagonistic interests: men and women. You have a definition of sexuality — of the woman's body itself — which is up for political/cultural grabs. And the single most important factor in the definition is a society's texts. First among those texts is por-

nography. The question now becomes: which class controls the texts through which a woman's body is defined?

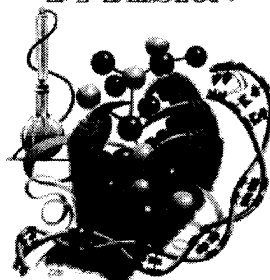
This is what feminists mean when they say, "pornography defines women," or "pornography causes rape," or "pornography is rape," or that every problem women have can be traced back to pornography. It is why lesbian activists are willing to promote legislation that suppresses "words and images" even though they know it will be used to persecute lesbian book-stores.

With this new perspective, read a passage from Susan Brownmiller's *Against Our Will*, a passage typical of gender-feminist literature:

Pornography, like rape, is a male invention, designed to dehumanize women, to reduce the female to an object of sexual access, not to free sensuality from moralistic or parental inhibition. The staple of porn will always be the naked body, breasts and genitals exposed, because as man devised it, her naked body is the female's "shame," her private parts the private property of man, while his are the ancient, holy, uni-



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versal, patriarchal instrument of his power, his rule by force over her.

Pornography is the undiluted essence of anti-female propaganda.<sup>11</sup>

In other words, pornography is the text that expresses man's hatred of woman and constructs her oppression. (Please note: I am not saying that Brownmiller or any other particular feminist is a Foucauldian, or that Foucault would approve of his ideas being put to this use. I am merely stating that his sort of linguistic interpretation has so permeated the gender-feminist approach that Brownmiller and similar writers use his methodology, whether or not they are conscious of doing so.)

It took me a long time to understand that — in discussions with gender feminists — I was speaking gibberish to them. I talked about choice: "a woman's body, a woman's right." By their analysis, however, women have been socially determined by men: we have been sexually con-

structed by the enemy class. I can no more say that I choose my sexuality than a concentration-camp prisoner can claim to choose the menu of her evening meal. I take what gets served up. And sometimes a prisoner, such as me, is so brainwashed as to believe she is making a free choice.

To gender feminists, "a woman's body, a woman's right" is just another patriarchal prison sentence. It is just another line of text through which men politically define who I — as a woman — am.

Silly me. □

#### Notes:

1. Beth B. Hess and Myra Marx Ferree, eds., *Analyzing Gender: A Handbook of Social Science Research*. Sage Publications, 1989, p. 519.
2. Helen Crowley and Susan Himmelweit, eds., *Knowing Women: Feminism and Knowledge*. Polity Press, 1992, p. 65.
3. Sharon Welsh, *Communities of Resistance and Solidarity: A Feminist Theory of*

*Liberation*. Orbis, 1985.

4. Valerie Walkerdine, *Schoolgirl Fictions*. Verso, p. 136.
5. Jonathan Arac, ed., *After Foucault: Humanistic Knowledge, Postmodern Challenges*. Rutgers University Press, 1988.
6. *Ibid*, p. 161.
7. Camille Paglia, "Junk Bonds and Corporate Raiders: Academe in the Hour of the Wolf," in *Sex, Art, and American Culture: Essays*. Vintage Books, 1992, pp. 170-248.
8. There have been recent attempts to reinterpret Freud, which I applaud, although — as Freud himself said upon stepping off the boat onto American soil — "I am not a Freudian."
9. Jana Sawicki, "Foucault, feminism, and questions of identity," in *The Cambridge Companion to Foucault*. Cambridge University Press, 1994, p. 291.
10. Biddy Martin, "Feminism, Criticism and Foucault," in Crowley and Himmelweit, *op. cit.*, p. 276.
11. Susan Brownmiller, *Against Our Will*. Simon and Schuster, 1975, p. 394. Emphasis in original.

## Letters, continued from page 4

perspective that is simultaneously populist (in that it believes culture is healthiest when creative action is widely diffused among the people) and elitist (in that it is sharply critical of anything derivative or otherwise mediocre)."

Since the characterizations in the parentheses are essentially correct, I wonder about the categorical adjectives. "Elitist" is acceptable in that I support the best and have little patience with anything or anyone that for one infirmity or another (sometimes self-induced) is less than the best. In art as in sports, excuses for inferior work are unacceptable.

● On the other hand, "populist" both in *Webster's New World Dictionary of American Language* and in *The Oxford Companion to American History* refers exclusively to the Populist Party, which began in 1889 as, to quote the latter, "a grouping of southern and western agrarian organizations seeking political action to remedy the lot of debtor farmers." *The Oxford Companion* continues that the Populist Party "called for a flexible currency system under government control, a graduated income tax, postal savings banks, public ownership

of railroads and communications systems, an eight-hour day for labor, direct election of senators, the secret ballot, and unlimited coinage of silver as a means of swelling the currency." Since I don't advocate most of those changes (whether western, midwestern, or agrarian), we would agree that the epithet "populist" must be inapplicable.

May I suggest instead that Walker find an adjective that acknowledges my opposition to cartels and self-conscious establishments, whether state-supported or not, in favor of genuinely free competitions in which the strongest art/culture/work succeeds not because of institutional favor, but precisely because of enthusiastic support from a disparate collection of discriminating individuals.

Would he accept the adjective "libertarian"? It is by no criterion contrary to elitism.

Richard Kostelanetz  
New York, New York

### Why the LP Doesn't Work

*Liberty* credits Harry Browne for articulating the Libertarian Party's positions. It is precisely because he

articulated these positions that he did so poorly in the polls. For example, on CNN Browne said there was not a problem when ten-year-olds could buy heroin, implying he would legalize heroin for children. And maybe he would, and maybe the Libertarian Party would. The opportunity to endorse the popular medical marijuana initiatives or call for a mature, reasoned discussion of drug prohibition or simply condemn fascist drug-enforcement tactics was missed.

Why? Because as Michael Kinsley has noted, "The Libertarians take every good argument for freedom to its illogical extreme."

Libertarian Party activist burnout comes when one realizes the LP is not a vehicle for promoting freedom, but rather a fundamentalist, pacifist, rationally dysfunctional cult.

The LP resembles the government mentality it purportedly opposes: supply-side, ideological, strait-jacketed conformity that squashes creativity while crushing debate, expelling all but the unquestioning true believer.

James Alan Winter  
Waterville, Ohio



## The *Liberty* Interview

# The Only Libertarian in Congress

Libertarian Ron Paul talks to *Chester Alan Arthur* about drug laws, the Defense of Marriage Act, and friends and enemies in the Libertarian and Republican parties.

*Somehow, none of those who commented on the November elections in the January 1997 Liberty mentioned what might very well be the most important victory for libertarians: the election of Ron Paul to Congress. Paul had previously served four terms in Congress, establishing a remarkable record of consistent opposition to the growth of government, higher taxes, military intervention abroad, and consistent support for individual rights. In 1984, he gave up his seat to seek the Republican nomination for the Senate in Texas. He lost the nomination to Phil Gramm, and returned to his medical practice.*

*In 1986, Paul declared himself a Libertarian and sought the LP's 1988 nomination. He overcame unexpectedly stiff competition from Indian activist Russell Means, and won the nomination. In November 1988, he won 432,000 votes for the nation's most powerful office, up 89% from the vote total obtained by David Bergland, the party's 1984 nominee.*

*In 1992, he flirted with the idea of challenging George Bush in the GOP primaries, but withdrew after Pat Buchanan entered the race. Two years later, he began to plan his campaign to recapture a seat in the House of Representatives. On November 5, he won 51.4% of the vote in the general election.*

*Just before the new session of Congress began, Liberty's political correspondent, Chester Alan Arthur, interviewed Paul about the campaign and how he intended to advance a libertarian agenda in the new Congress.*

**Liberty:** What sort of issues were used against you in the campaign?

**Paul:** They mostly concentrated on the drug issue. The Republicans did it [in the primary], and the Democrats thought it was a viable criticism, so they just continued it. I didn't preach legalization or anything that sounded pro-drug. What I said was that the federal War on Drugs has been a total disaster, and we shouldn't have any part of it. If there's anything to be done, if any regulation is needed, it should be local. And that softened reactions a little bit. But in my mind I had very limited restrictions, even at the state level. But that was for somebody else to deal with. I was running for federal office. If you want to protect children from drugs, which I do believe in, I think it

should be handled locally. The really big issue was the War on Drugs. And people absolutely knew what my stand was on it.

**Liberty:** It was reported in a political magazine that you denied having ever supported legalizing drugs . . .

**Paul:** I know how that came up — as a matter of fact they put that on a television ad against me. I think it happened something like this: early on I took a call from the press. They called and said, "Well, your opponent just had this press conference and they quoted you from a *Reason* magazine article saying you favored drug legalization; what do you have to say about it?" I said, "You know I don't even recall that article," which was a very honest answer. The opposition then turned around and said, *he can't even remember about this article*. I wasn't denying anything, but I had to look at it. Actually the article wasn't all that bad. [My opponent] used to reproduce the whole article, and there were one or two sentences which, taken out of context, sounded bad, but the rest was stuff like, you know, I didn't like drugs, and the family and the church and the community should deal with it. He kept circulating it, and I thought it was great as long as he circulated the whole article.

There was never any denial. For obvious reasons I didn't say, "No, I'm for legalizing all drugs." I never said it in that sense. I said, I'm against all the federal drug laws, and if there are to be any regulations you can regulate selling marijuana and drugs to twelve year-olds. I would say if there's going to be any [regulation], it's going to be local. But it was never that I changed my position.

**Liberty:** Maybe we're seeing the first signs of some softening of public attitudes on that. Drugs were a significant issue in your campaign and you're in a very conservative area, and California has in effect legalized marijuana.

**Paul:** My job was to convince the religious right that they could accept this position. Now I have campaign workers who were very leery at first and weren't even on my side call me and say, "Well, I'm going to this federal building and they keep checking me all the time. I think that's a

violation of my civil rights." *(laughs)* Boy, these people are starting to throw it back at me now. They didn't like the invasion of privacy.

**Liberty:** Was your stand against the Gulf War used against you?

**Paul:** They used that a whole lot in my primary. They said Ron Paul opposed George Bush, he ran against Phil Gramm, he opposed this and that. And they still didn't ruin me in the primary. But in a way that helps me with the independents and the Perot people, and they knew that Newt was out to get me, so the anti-Newt people loved it. But the big test is whether you can withstand that in the primary, and since we did it's not the greatest thing.

**Liberty:** Steve Forbes came in and campaigned for you.

**Paul:** Forbes came out for me and that was a big help. And Pat Buchanan helped with the religious right; we had a huge rally with them. But I think it's sort of appropriate that we can get both sides of the party to come over. And then toward the end the Republicans started to support me. They were getting worried, and rightfully so. Phil Gramm said nice things and Hutchison, who is seen as a friend of the moderate side, offered to campaign for me. Their heart wasn't exactly in it, but they knew that I was better for them than Lefty Morris [Paul's Democratic opponent].

**Liberty:** I'm sure Republicans were panic stricken that they might lose control of the House.

**Paul:** That was the big thing. And everything has been very cordial in Washington.

**Liberty:** It was interesting that your Libertarian opponent dropped out of the race.

**Paul:** I talked to the guy who had been nominated. And I told him to ignore all the pressure he was getting from my group. I've tried to make points in the Libertarian Party. I told him that I respected his position and said I'm not even going to ask you to get out. Just ignore all that pres-

sure. And then we talked some more, and he knew I wasn't really going to hit him hard. And he said, "Is it true that you're still a member of the LP?" And I said yes, I'm a lifetime member. I think there's a precedent for a Republican to belong to two parties. And I talked about Jim Buckley, who was elected as a Conservative. I think of it that way. I think that we should be working together. I think that was what convinced him. A couple of days later he called back and said he was going to get out.

**Liberty:** I understand that some high-level LP officials tried to convince him to stay in the race, in hopes of taking votes away from you and possibly defeating you.

**Paul:** I think maybe the LP people were upset because they thought I was getting all this libertarian money. If you look at it, we raised more than \$2 million, but I would say that a very small percent came from the hard-core LP members. I mean they didn't do it.

**Liberty:** How do you stand on declaring English the country's official language?

**Paul:** I like the idea. But I've not thought it through completely on who should be determining that — whether the federal government should overrule the city of L.A. if they print something in two languages or three or four. But if it comes to judges speaking in a federal court, I think it makes pretty good sense that we use English. We've been doing that for 200 years, so I could never support something that said all of a sudden the federal judges and our federal papers and forms have to be in two languages. If they have to be in two, why not three? Or four? Why not put it in 20 languages? That to me is reaching the point of absurdity.

**Liberty:** I know that in 1987, when you were seeking the LP nomination, you were challenged on your views on gays, and you observed that you have never discriminated against gays — that in fact gays played a prominent role on your congressional staff and that you didn't see this as an issue for government to be involved in. What is your stand on the Defense of Marriage Act, which says that same-sex marriages recognized by one state needn't be recognized by other states?

**Paul:** I think that there are two points to be made. One is whether we should permit voluntary marriage between whomever, and I would say certainly. Two individuals can have any contract or any kind of living arrangement that they are permitted as long as they don't hurt other people. The trouble you get into is when you start talking about compulsion — if tax-paid benefits are increased because somebody is saying that marriages now have this bizarre definition, that two people of the same sex should receive certain types of benefits, and they will be mandated to insurance companies, I think that's getting carried away.

But I also think the whole idea of changing the definition of marriage is a little bit bizarre. It shouldn't be the role of government. Marriage for thousands of years has been defined; it's like all of a sudden we're going to call oranges apples. Now,

*continued on page 44*

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## Strategy

# Does the Libertarian Party Have a Future?

*by Harry Browne*

The party of freedom has to do better next time.

If the 1996 presidential campaign had ended without a vote, the Libertarian Party would have considered it successful. We had unprecedented media coverage. David Broder, Hugh Downs, Michael Reagan, Oliver North, and dozens of other well-known personalities issued gushing compliments. At least 97 talk-show hosts and print journalists endorsed my candidacy, and at least 389 publicly stated that I should be in the presidential debates. I was on the Larry King show twice, C-SPAN gave us extensive coverage, people called into talk shows to promote the Libertarian ticket, others called to say they were voting Libertarian for the first time, talk-show hosts read our press releases on the air, and Tim Russert interviewed me for half an hour. In addition, we faxed a flood of press releases to over 1,000 journalists and broadcasters, had an e-mail list with over 5,000 subscribers, and raised more money from more people than any previous campaign.

But when the big day arrived, we got fewer than half a million votes. A marked improvement over 1992, but not nearly enough to make anyone sit up and take notice.

What happened to all those people who had told pollsters they were going to vote for us? Apparently, when push came to shove, they cast their ballots for Bob Dole, Ross Perot, or Bill Clinton. After all, why waste your vote?

There is no question that the great majority of the American people think

government is too big. There also is no question that the great majority of the American people would like to vote for someone who would make the government smaller, less expensive, and less intrusive. But that "someone" has to have a chance of winning — or to at least be powerful enough to generate a movement toward smaller government in the near future. Otherwise, the average voter probably will retreat to choosing among the alternatives that have at least some chance of winning.

### **Hurdle of Irrelevancy**

The Libertarian Party faces a Hurdle of Irrelevancy. Most Libertarians, libertarian-leaning people, and voters in general consider any support for the LP to be an exercise in futility — thus making the LP irrelevant to any considerations for the future of America.

- **Voting:** Voting for Libertarians is considered futile, since we can't win an important election. Voting for a Libertarian candidate doesn't even make a statement, since the vote total will be so small that no one will notice it.

- **Registration:** Changing one's registration to the Libertarian Party seems pointless, since voting in a Libertarian primary doesn't affect any political outcome.
  - **Money:** Money donated to an LP election campaign can be thought to be a relative waste, since it won't lead to anything that will change the direction of the country.
  - **Media:** The national media pay almost no attention to LP candidates, presidential or congressional, since there appears to be no chance for such candidates to be important factors in their races. Whatever tidbits are thrown our way may be out of a perceived sense of obligation to provide at least some coverage to minor alternatives. Although we received more attention than ever before, it was still a pittance. Local media are more receptive to us, but even there, all we receive is a single story about each event, as journalists and reporters make no attempt to follow a campaign on a continuing basis.
- We won't attract sizable numbers

of votes, members, money, or media so long as we are considered irrelevant. And we will be considered irrelevant so long as we can't attract votes, registrations, money, or media. We seem to be snared in a classic Catch-22 situation.

In my view, this Hurdle of Irrelevancy dwarfs all other considerations about the just-concluded cam-

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*But we can't expect to reduce the government one program at a time, or reduce it over a period of years. The Republican Congress demonstrated that this doesn't work.*

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paigns for the presidency and other offices — as well as plans for future electoral success. And until the LP overcomes this hurdle, all other concerns will be moot.

Fortunately, I believe there's a way over the hurdle. But before I discuss it, I would like to take a look back at the elements of the 1996 campaign.

### The Messages Used in the 1996 Campaign

I have been criticized both for having a message that was "vacuous" and for having a message that was too radical.

The message was based on what I believe is necessary to restore American freedoms. To be taken seriously, especially as a third-party candidate, I had to have specific proposals available, not just broad assertions. In my book *Why Government Doesn't Work*, I laid out a program to get from where we are now to much smaller government — specifically, to a federal government removed from everything not authorized in the Constitution. Obviously, those who believe we should go further than that are welcome to continue working to reduce the government from there. But I can't imagine that any libertarian wouldn't be happy to trade today's federal government for one only one-sixteenth as large, no matter how far he may want to continue beyond that.

Some people think we must propose a more moderate program. But we

can't expect to reduce the government one program at a time, or reduce it over a period of years. The Republican Congress demonstrated that this doesn't work. There are at least three reasons why such an approach is doomed:

1. No matter what programs are proposed to be cut first, most everyone will assume that the government will continue to get bigger and taxes will still be oppressive. So those directly affected by the first program to go will fight the change, because they will be net losers. And no one else has an incentive to actively support the budget-cutters, because they can't see that the cuts will change their own lives in any significant way.
2. Any attempt to cut one program first, and then another, will break down in arguments over which program should go first.
3. There is little reason to have confidence that Congress will keep its word and continue to reduce the government after the first showy reductions.

Thus any meaningful reduction in the federal government must come all at once and must provide an immediate benefit to most Americans.

For this reason, I made the voters an offer: "Would you give up your favorite federal programs if it meant you never had to pay income tax again?" This transformed the abstract, long-term benefits of freedom into an immediate reason to reduce government dramatically. It also provided a reassurance that I wasn't offering a pie-in-the-sky free lunch — that there was an apparent cost connected to the benefit.

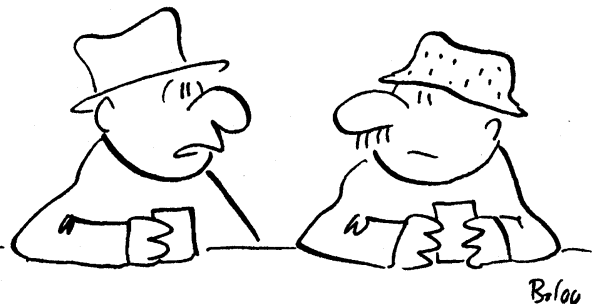
The 1996 campaign probably contained the most radical — and most specific — proposals of any Libertarian presidential campaign. There were three reasons I felt it was necessary to have such a radical message:

- **We must have a program that adds up.** If we are to be taken seriously by the media and the more

influential voters, we must have specific proposals to reduce government, and the proposals have to add up. Only a radical program does. Only if government assets are sold can Social Security be saved. Only if the government is reduced to its constitutional functions can the income tax be repealed — and only if we offer to repeal the income tax will voters enthusiastically support any reduction in government.

- **We must not be put on the defensive.** Even if we moderate our message, we still will be asked questions that, to be answered truthfully, will reveal controversial beliefs. So we should raise these positions ourselves — so that we can frame the way the issues are discussed. For example, the only sensible solution to today's crime wave is to end the insane War on Drugs — and any more moderate proposal that I might suggest would still lead to questions about the government's ability to deal with drugs and crime. Government doesn't work, the War on Drugs has created untold deaths and drug problems, and there's no way to tell the story that doesn't lead to the logical conclusion that drug prohibition must be ended entirely.

- **We must distinguish ourselves from the opposition.** It was inevitable, for example, that the Republicans would eventually propose a specific tax cut, as well as promise to reform the IRS. Proposing anything less than the outright repeal of the income tax (the only possible way "to end the IRS as we know it") would leave us differing with the Republicans only in degree, not in kind.



"I took a long, hard look at myself this morning, and then I was late for work."

Early on, I settled on three basic proposals as the main message of the campaign:

1. Reduce the federal government to the limits provided in the Constitution, and use the savings to repeal the federal income tax, so that every dollar you make is yours to spend, to save, to give away as you see fit — not as the politicians think best.
2. Take Social Security completely out of the hands of the government, so that your parents and grandparents will have guaranteed contracts with private companies, rather than political promises, and the rest of us will be free forever from the 15% Social Security tax that we know is wasted money.
3. Do something positive about crime by ending the insane War on Drugs, shutting down the black market run by criminals — which is the cause of muggers on the streets trying to support a \$100-a-day habit, pushers on high school grounds trying to hook kids on drugs, gangs fighting over drug profits and monopoly territories, and children killed in drive-by shootings.

These proposals all offer immediate benefits to the voter. I'm satisfied that they were the right issues to emphasize. The idea of ending the War on Drugs is still a few years ahead of its time — but since this issue was likely to come up in nearly every interview, I felt I should raise it myself and be on the offensive.

The idea that there's a conflict between principle and politics has never made sense to me. I feel that if your principles are hard to sell, you need to improve your selling ability — not tinker with your principles.

However, you can't sell to someone who isn't listening. So you have to start by meeting him where he is now. There is nothing unprincipled about showing the listener how he will benefit immediately and significantly from application of our principles. And to do so, you have to talk in terms of issues that are important to him — not just to you.

I made no attempt to campaign on behalf of rights. A voter may agree that the Branch Davidians or the Weavers were tragically mistreated, but it's doubtful that anyone will change his

political philosophy or his vote because of such incidents. The average voter isn't concerned with "rights" until he is affected by the loss of a right — and even then, his outrage may apply only to his own situation or, at most, to a general concern about that one right and no other.

Since I was running for president, I tried to confine discussions to federal issues. If someone asked what I thought about state laws against drugs, I said the federal government shouldn't interfere — but that any state that maintains drug laws will attract the

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*There is no question that the great majority of the American people think government is too big.*

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criminal element from states that repeal all such laws. If asked about public schools, I said that this should be decided in each locality, but that repealing the income tax would give parents the resources to free their children from dependence on government schools and thereby do more to improve American education than any other single step.

Every interview inevitably delved into many issues — the environment, regulation, and so on. But I tried to keep coming back to areas where we could offer the voters clear-cut, easy-to-understand, direct, unquestioned benefits.

### Education?

Many libertarian organizations exist to elevate an individual's understanding of freedom and the libertarian philosophy. A political party exists to capture votes, win elections, and implement its program. In a political campaign, any educational benefits that accrue must be a by-product of the attempt to win votes. Thus I made no attempt to provide a philosophical education.

But the very act of advocating my positions necessarily educated voters. I continually made such points as:

- Government doesn't work. It doesn't deliver the mail on time, it doesn't keep the cities safe, it

doesn't educate our children. It has made a mess of everything it touches. Why should we expect any new government program to work better than all the failed programs of the past?

- We shouldn't be talking about what government *should* do or what we wish it *could* do. We should recognize what government *can* do. And government has proven that it makes a mess of virtually everything it touches. So whatever it is we may *want* government to do, we have to look for better ways to achieve it.
- Whenever you turn anything over to the government, it is no longer a scientific, medical, commercial, or ethical issue. It becomes a political issue, to be decided by Bill Clinton, Bob Dole, Newt Gingrich, Teddy Kennedy, and the rest of the boys. So don't be surprised that there will be a federal building for West Virginia in it, to satisfy Sen. Byrd — and a subsidy for Archer Daniels Midland, to satisfy Sen. Dole. Is this what you want — to transform a serious issue into a political boondoggle?
- Where in the Constitution is the federal government authorized to be involved in [fill in the blank]? If you allow the government to ignore the Constitution in this area, you shouldn't be shocked when it ignores the Constitution everywhere else as well. Nor should you be surprised that the government costs \$1.6 trillion a year and that there's a \$5 trillion debt.

### How Was the Message Received?

I am not an unbiased observer, but I feel satisfied that the message was, in general, well received. Of course, my only means of discerning the reception were the reactions of audiences at non-partisan events and the words of the hosts and callers on radio shows.

Radio hosts, in general, responded very positively throughout the campaign. They considered me a good guest — because I had provocative ideas and could handle any objections. Many radio personalities — including popular hosts Michael Reagan, Art Bell, Oliver North, Alan Colmes, Mary Matalin, and other non-libertarians —

were enthusiastic about having me as a guest. Many of them talked about me or read our press releases on the air when I wasn't there. What we can't know yet is how much of this will stick after the election. We don't know whether they will continue to treat us with such respect, given the vote total we received.

Over and over, I heard callers say they were now going to vote

impression on anyone.

I also was disappointed that we couldn't seem to get our libertarian friends in the print media to give us more support. Many of them seemed to think one perfunctory article was enough. The rest didn't even acknowledge our existence in print. Evidently, our message didn't inspire them to write about me instead of Bob Dole or someone else.

### Fund-Raising

We were able to open some new sources of funds, mostly from the investment community. Quite a few investment advisors made maximum donations to the Browne Campaign — \$1,000 before the convention and \$1,000 afterward. We were also able to get larger donations as well for the LP ("soft money," unlimited by law, and usable for the presidential campaign). Several people made donations of at least \$20,000. And there were others who gave \$5,000 or more.

However, because of lack of time and manpower, we missed an important opportunity in not prospecting in likely venues, such as having investment writers mail fund-raising letters to their subscription lists. We don't know whether this would have worked, but I wish we had found out.

We made no appreciable dent in the business community. I believe we can do so, however. I hope to be able to speak before business groups over the next couple of years. I think it's possible to motivate many of them to join the party and become major contributors.

Toward the end of the campaign, we seemed to find the formula for fund-raising events. We had several very profitable cocktail receptions and dinners — in San Diego, Los Angeles, and Boston, among other places.

### The Final Vote Total

The vote total was very disappointing — even though it was a large improvement over 1992. Given the amount of effort from so many people that went into the campaign, given the greater amount of media coverage, given the way the message seemed to resonate with people who had never considered voting Libertarian before, I was confident we would easily exceed a million votes.

Explanations have been offered for the result — that there were so many third parties in the race this time, that the race between Dole and Clinton seemed to be narrowing near the end, that voter turnout was low, and so on — but none of them provide much of an answer. For example, if we'd gotten all the votes that were cast for Howard Phillips and John Hagelin, we'd still be way under a million — and I don't think Ralph Nader's votes were ours to be had.

I believe we should assume that the Hurdle of Irrelevancy has struck again — that people who intended to vote Libertarian decided at the last minute that it really wouldn't achieve anything to do so. Until we overcome that hurdle, we cannot expect to rack up impressive vote totals.

I have not done many radio shows since the election, so I don't know what the feeling is now among talk-show hosts and their listeners. But I have been heartened by the large quantity of mail I've received since the election — all of it from people talking about 2000 and eager to get to work. If this is indicative of Libertarians in general, the vote total was no setback.

I think we should assume this to be the case. We need to capitalize on all

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*We must have specific proposals to reduce government, and the proposals have to add up. Only a radical program does.*

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the achievements of the campaign — the new respectability for the party, the new fund-raising sources, the new relationships with the media, the increased LP membership, the energy and enthusiasm Libertarians displayed during the campaign.

We need to assure that these leads don't grow cold. We need to keep all these lines of communication open.

### Future Presidential Campaigns

The 1996 campaign should demonstrate the importance of having sufficient money to make an impact on the press and the public.

In my own campaign, we got off to

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*If your principles are hard to sell, you need to improve your selling ability — not tinker with your principles.*

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Libertarian. I asked if they had ever done so before, and almost all said that they hadn't.

Perhaps the most important indicator of the strength of the message is that almost every talk-show host treated me and the message with respect. I was on over 500 shows in 1996 alone. And for the entire campaign, I can remember only three shows in which the host treated me insultingly. Only one of those considered me too radical (calling me "loony tunes"). Another one was upset because I wouldn't agree that the check-off system meant that taxpayers had voluntarily donated the federal campaign subsidies. And the third was — surprise! — a libertarian who got very upset because I maintained that it was still possible to save America.

Even though I was treated well, I'm not satisfied that I presented the message as persuasively as I should have. We don't do interviews to show that we have answers to every question; we do them to persuade people of the importance of voting Libertarian. And, too often, I allowed myself to be satisfied with just answering the questions put to me — instead of using them as springboards to the points I wanted to make. While I could handle any issue that arose in an interview, I was not always disciplined enough to continually bring the conversation back to the issues that mattered.

And there were some issues — like the national parks and the environment — where what I thought was blinding logic seemed to make very little



a slow start because of the need to raise the initial seed money. It is far better if a presidential candidate has a large war chest before he announces. Thus he should have an exploratory committee raising money in advance of the announcement. He should start with at least \$1 million on hand — so that his first few months aren't consumed trying to raise the money with which to raise further money.

The LP must also have a large war chest ready to spend at the beginning of 2000 on general LP ads, and then be in a position to spend in earnest after the convention. To establish the LP as a serious contender, the party will need to have at least \$10 million in the bank at the start of 2000, available for the presidential campaign.

I have made a number of recommendations to the party that I won't detail here, regarding outside campaign consultants, training programs for congressional and state candidates, fundraising possibilities, better coordination with local candidates, making the best use of volunteers, accelerating the development of campus Libertarian clubs, programs to target special-interest groups, and experts to stage fund-raisers, rallies, and other events.

I provided a 19-page report to the Libertarian National Committee at the end of the campaign, and the Browne for President campaign provided a 600-page report of the campaign's activities, finances, and organization.

## Overcoming the Hurdle of Irrelevancy

Various Libertarian activists have suggested ways to get us over the Hurdle of Irrelevancy. Unfortunately, I don't think any of them are the answer.

- *"Pour all our resources into one or two congressional campaigns in 1998 because a victory will provide instant visibility."* It is unlikely that, under current circumstances, we could raise sufficient money to make the impact that the proponents of this plan envision. And even if we did, we've already seen campaigns in which the Libertarian outspent his opponents but didn't win — because there are many factors that affect the outcome of an election. Pouring all our resources into one race and then losing it might be more disheartening even than get-

ting 0.5% of the vote in a presidential election.

- *"Find a celebrity to run for president."* It is unlikely that any celebrity would be able to articulate all our issues — social and economic. Such a person might have to give up his career to run for president — and for what? To run a \$5 million campaign that has no chance to succeed? Even if we found such a person, and even if he attracted the media attention we crave, once the campaign was over he would go back to his normal life — and the media would quit paying attention to us.
- *"Run in the Democratic or Republican primaries."* Any candidate doing this would face the same problems he faces running as a Libertarian — lack of media attention and lack of money to command that attention. If the money is there, one can get the attention as a Libertarian.
- *"Recruit a rich vice-presidential candidate."* This is possible. It was done in 1980, and it might be done again. But while it can help, it isn't likely to solve our problems. Unless we find someone who will put \$50 million into the campaign, we can hope only that a rich vice-presidential candidate will facilitate some advertising that wouldn't otherwise be possible. Our needs are much too large to be satisfied by someone putting \$3 million or so into the campaign. If we can raise the money for a first-class campaign in other ways, then most likely we would prefer an articulate candidate to a wealthy one.

There is no magic pole that is going to vault us over the Hurdle of Irrelevancy. The party has made tremendous progress in the past two years, but that progress was built on all the work that was done over the preceding 23 years. We can achieve electoral success while remaining true to the purpose of the party only by building that success step by step. That's what has brought us this far, and that's what will take us the rest of the way. Every short-cut leaves us in a vulnerable position.

We had to crawl before we could walk. Now we are walking. Maybe soon we can be running.

The only way we will overcome the hurdle is by building a much larger party, because the hurdle itself doesn't block us from building the party. Someone can join the LP without having to see proof that we're on the verge of electoral success. He invests only \$25 in joining, and he gets benefits that don't depend on winning elections — increased news of Libertarian legislative triumphs and setbacks, news of what Libertarians are doing elsewhere, training programs, social events tied to some political purpose, and other

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*There were some issues — like the national parks and the environment — where what I thought was blinding logic seemed to make very little impression on anyone.*

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events that make it enjoyable to be in the party.

But in the process he makes it a little more possible that we'll win elections in the future.

Fortunately, the LP will conduct a major prospecting and recruiting campaign to build membership, starting this year.

The party now has a little over 20,000 members. If we could enter the year 2000 with 200,000 members, membership dues alone would be \$5 million for 2000. In 1996 we raised roughly \$250 for everyone who was a member at the start of the year (\$3 million ÷ 12,000 members). The same yield with 200,000 members would be \$50 million. If we obtain more than 200,000 members, so much the better.

With a large membership, we will have people in almost every precinct of the country — able to take our message door-to-door if the media continue to ignore us.

If we have the wherewithal, we should be running TV ads on the presidential campaign from the start of 2000 — even before the nominee is chosen. These ads can lay out general LP proposals, and they should establish the LP as an important competitor in the 2000 race. If we can do that, no one — not the media or the American people — will ignore us.

By sheer weight of members and money, we will have overcome the Hurdle of Irrelevancy.

Even so, we will still be such a new phenomenon to most voters that many of them may be hesitant to take the plunge. But we will be in a position to win 15%–30% of the vote, and establish ourselves as the leading contender to whichever party wins the election.

If so, we would most likely start winning congressional seats in 2002.

And then, by 2004, we would have over a million members and be the odds-on favorite to win the White House.

Is all this a fantasy? No, but it's also far from a sure thing.

However, to *whatever* extent we increase the number of active, dues-paying members, we increase our impact. And we have good reason to believe that many people would join our quest if they knew what we are doing — just as we have good reason to think that a large segment of Americans would vote for us if they knew what we were proposing and if they thought we

had any chance for success.

Three-quarters of the American people think government is way too large. We are the only party offering those people what they want — significantly smaller government. There is nothing wrong with our message or the way we're presenting it. We simply need to have it heard by more people more often between now and the next election.

We are the only party offering proposals that will make a substantial difference in the average person's life. We're going to repeal the income tax so that every dollar you make is yours — to spend, to save, to give away as you see fit, not as the politicians think best. We're going to get Social Security out of the clutches of the politicians so that your parents and grandparents know their retirement is safe and the rest of us are free forever from the 15% Social Security tax. We're going to make your neighborhood safe by implementing the only proposal that would dramatically reduce crime — ending the insane War on Drugs before

it destroys America. And we're going to restore harmony among all the ethnic, social, lifestyle, and generational groups in America by taking away from the politicians the power to inflict one group's values upon another.

This is what Americans want. This is what we offer. And we are the only ones offering anything of the kind.

What is missing is the ability to let all Americans know what we offer. Although we can experiment with short-cuts, the only sure way to acquire that ability is through the steady building of party membership.

- With the numbers of members will come the money.
- With the money will come the media attention.
- With the media attention will come the public awareness of what we offer.

I intend to speak out for the party wherever possible — appearing on radio and television, in public forums, and in print — letting people know there is hope for America. □

## Interview with Ron Paul, *continued from page 38*

because of the law you're going to change that. You just can't change the definition of marriage.

That doesn't mean you have to interfere with voluntary associations, which should be permitted both at the federal level and at the state level.

**Liberty:** Do you expect to play any kind of role in the investigation of Clinton's various ethical problems?

**Paul:** No, I'm more interested in the trillions of dollars of destruction of value through the monetary system, and the evils of the IRS. That is a big problem, but others enjoy that more than I do. I don't expect to get involved in that or Newt Gingrich's deals either.

Those are important, but to me they're petty crimes compared to the viciousness of a powerful bureaucratic monolithic state that is intruding on our liberties daily.

**Liberty:** Do you have any advice for LP members?

**Paul:** I think we all — whether we are members of the Libertarian Party or libertarians working within the Republican Party — we all ought to follow the premise of so much of what liberty is, that is, tolerance. Just as we try to teach ourselves to be tolerant of other people's lifestyles, we ought to be more tolerant of other people's political action.

I've been on the receiving end of criticism when I didn't think it was just, because I didn't do exactly how somebody else thought I should. Well, I believe that for

some people, their role is best met by sticking with the LP, and others can do it only as a Republican or a Democrat; and others can do it both ways, which it is what I've chosen to do. I think parties aren't very important. They're vehicles. The only thing that's important is the promotion of libertarian ideas.

**Liberty:** What did you think of Harry Browne's campaign?

**Paul:** I think Harry did the greatest job in the world. He had good presence, and he handled himself well. I just wish he had gained more exposure.

**Liberty:** What would you say to the libertarian who is disappointed with the success that the LP has had?

**Paul:** I'd tell him that they're not understanding it. I think that the LP has been fantastically successful. When I ran in 1988, we got 400,000 votes. But the average person who knows a little bit about politics and remembers it, they've no idea how many votes I had. I mean as far as they're concerned, I had a million or two million votes. The image of the Libertarian message is much more powerful than the nominal votes we get. The influence of libertarian ideas has been phenomenal, and the Libertarian Party deserves a lot of the credit. I think the LP has been very influential. This whole issue on drugs has changed, and it's the LP that led the charge for 25 years. So I don't think you measure the success or failure of the LP by how many LP members are elected. □

## Report

# Republicans, Drug Money, and You

by Kenneth Lee

Alternative medicine makes strange bedfellows.

Senator Tom Harkin seems an unlikely crusader against government regulation. The Iowa senator proudly describes himself as a "true liberal" at a time when his Democratic brethren assiduously try to distance themselves from the dreaded L-word. Yet it has been Harkin — and not the Republicans — who has zealously pushed for loosening the Food and Drug Administration's restrictions on alternative medicine.

Harkin became a believer in alternative medicine when large dosages of bee pollen apparently cured his allergies. "Something has to be done to investigate into these things because it sure worked for me," he said at a 1993 Senate hearing. Two years earlier, he had set off a controversy in the scientific community when he helped establish the Office of Alternative Medicine (OAM) at the National Institute for Health (NIH) to research non-conventional therapy, which includes anything from chiropractic care to herbs to biofeedback.

Many scientists still grouse that a special office at the NIH gives alternative medicine undue credibility. "It's scientifically unproven, and a lot of it is just pure folklore and quackery," says Dr. John Renner of the National Council Against Health Fraud. Some forms of alternative medicine, however, have gained increased credence in recent years. "Some treatments show success and promise," claims Tacey Boucher of the Minneapolis Research Center, one of the first centers to receive a grant from the OAM.

Many medical doctors have

become interested as well. "People are not satisfied with regular health care for chronic illnesses, and they want to try alternative medicine, yet there's little understanding of its true effects," explains Professor Halsted Holman of Stanford Medical School. "But there's no doubt that some techniques work well for some patients."

Harkin is not alone in his fascination with non-conventional therapy: a study published in the *New England Journal of Medicine* revealed that in 1990, one out of three Americans used alternative therapies, spending a total of \$13.7 billion. Yet the FDA approval process prevents many forms of alternative medicine from becoming legally available. It takes up to \$400 million and 15 years for a drug to enter the market, and companies involved in alternative medicine — most of which have limited financial resources — are unable to recover these costs because botanical and herbal remedies cannot be patented. Thus, patients have no choice but to leave the United States if they want to receive some non-conventional treatments.

To counter this bias, Harkin has co-sponsored the Access to Medical Treatment Act. It would allow individuals to receive any non-FDA-

approved treatment as long as there is no evidence that it causes harm and a state-licensed practitioner informs the patient that the therapy has not yet received the FDA's approval. Consumer-protection groups believe that the bill will unleash a wave of fraud — or even worse, serious harm caused by quack prescriptions. These fears, though, are exaggerated. The bill contains "consumer-safety" provisions such as prohibitions on commercial advertising, mandated reports to the Department of Health and Human Services, and licensing law requirements. More importantly, the market provides sufficient safeguards of its own: very few patients are willing to risk their own lives on possible quackery. In fact, many patients seeking alternative treatments do so as a last resort after conventional therapies have failed to ameliorate their often debilitating ailments.

Although the Access to Medical Treatment Act does not completely deregulate alternative medicine, its anti-FDA bent has been enough to garner enthusiastic support from libertarian-leaning conservatives. "It's definitely in the right direction because the FDA's [current requirements] are far too onerous," says Sam Kazman of

the Competitive Enterprise Institute, a free-market think tank. "The bill's really about the freedom to contract. People are asking for the freedom to do what they want without government interference," adds Sue Blevins, the

president of the Institute for Health Freedom. "If any Congress should support this, it should be this Congress."

Indeed, one would think that Republicans would jump at a chance to pare down the FDA's teeth, especially when liberal Democrats such as Harkin are willing partners. At the least, Republicans could score some PR points against the FDA by publicizing the plight of cancer-afflicted children who, after not responding to traditional chemotherapy, seek alternative treatment as their last hope — only to be rebuffed by the FDA. Yet the GOP-controlled Congress has given the bill a tepid reception. Granted, the more free-market oriented congressmen such as Rep. Tom DeLay and Rep. Joe Barton have co-sponsored the bill. But it has generated little excitement among most Republicans, and it foundered and died in the committees of the 104th Congress.

The GOP's ambivalence may be understandable. "Some Republicans like DeLay support it from a libertarian view, but from a corporate Republican view, many don't because they're heavily influenced by large pharmaceutical companies," says Democratic Rep. Peter DeFazio, the House sponsor of the bill. Many large pharmaceutical companies are not eager to see easier access to alternative medicine because they see it as a possible competitive threat. "The FDA has acted as a competitive barrier — [the] FDA's monopoly of the approval process probably increases the value of the in-house experts of the pharmaceutical companies," says Kazman.

Furthermore, health professionals have long scoffed at alternative medicine as snake oil peddled by charlatans. "[Alternative medicine is] in direct competition with conventional medicine," wrote Dr. Edward Campion in the *New England Journal of Medicine*. "The public's expensive romance with unconventional medicine is reason for our profession to worry."

And Republicans listen to their big donors. According to the Center for Responsive Politics, in 1995 pharmaceutical companies and medical professionals donated \$1,099,083 and \$1,903,580 respectively to Republican congressional candidates. (Democrats aren't exactly innocent, either; they

received nearly \$1.5 million.) When pressed to choose between the principles of limited government and the demands of big-money politics, many Republicans have opted for the latter.

If the specter of Republicans cozying up to the FDA seems odd, then Democrats assailing government regulation is just as bizarre. "The FDA has an amazing antagonism towards alternative medicine — it's just absurd," says DeFazio, a moderate Democrat. Even some liberal Democrats support medical deregulation: California Congressman Ron Dellums, for example, who represents a district that voted 80% for Michael Dukakis in 1988, supports the Access to Medical Treatment Act because his Berkeley constituents are entranced by non-conventional therapy. Democrats such as Henry Waxman and Ted Kennedy, however, remain staunch opponents of relaxing FDA regulations.

Rep. DeFazio plans to re-introduce the bill this February, and congressional watchers think it might have a better chance of passing this time around. "Awareness of the bill has increased among constituents, and many people are understanding how

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*Pharmaceutical companies are not eager to see easier access to alternative medicine because they see it as a possible competitive threat.*

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arbitrary and difficult the FDA approval process is," says one congressional aide. And the federal government's high-profile criminal case against Dr. Stanley Burzynski — a doctor who has treated cancer patients with a non-FDA-approved treatment and is considered a folk hero among his patients — has brought media attention to FDA regulations. Even Newt Gingrich has expressed some interest in the bill, and some congressional insiders believe that the bill may be attached to a larger FDA regulatory reform package. But whether such a package can overcome a Republican Congress addicted to regular injections of pharmaceutical cash remains to be seen. □

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# Medics in the War on Drugs

by Thomas S. Szasz

Some enemies of the drug war would trade the prison cell for the hospital bed.

Drug prohibitionists were alarmed last November, when voters in Arizona and California endorsed the initiatives permitting the use of marijuana for "medical purposes." Opponents of drug prohibition ought to be even more alarmed: The advocates of medical marijuana have

embraced a tactic that retards the repeal of drug prohibition and reinforces the moral legitimacy of prevailing drug policies. Instead of steadfastly maintaining that the War on Drugs is an intrinsically evil enterprise, the reformers propose replacing legal sanctions with medical tutelage, a principle destined to further expand the medical control of everyday behavior.

Not surprisingly, the drug prohibition establishment reacted to the passage of the marijuana initiatives as the Vatican might react to an outbreak of heretical schism. Senator Orrin G. Hatch, chairman of the Senate Judiciary Committee, declared: "We can't let this go without a response." Arizona Senator Jon Kyl told the Judiciary Committee: "I am extraordinarily embarrassed," adding that he believed most Arizona voters who supported the initiative "were deceived." Naturally. Only a person who had fallen into error could approve of sin. Too many critics of the War on Drugs continue to refuse to recognize that their adversaries are priests waging a holy war on Satanic chemicals, not statesmen who respect the people and whose sole aim is to give them access to the best possible information concerning the benefits

and risks of biologically active substances.

From Colonial times until 1914, Americans were the authors of their own drug policy: they decided what substances to avoid or use, controlled the drug-using behavior of their children, and assumed responsibility for their personal conduct. Since 1914, the control of, and responsibility for, drug use — by adults as well as children — has been gradually transferred from citizens to agents of the state, principally physicians.

Supporters of the marijuana initiatives portray their policies as acts of compassion "to help the chronically or terminally ill." James E. Copple, president of Community Anti-Drug Coalitions of America, counters: "They are using the AIDS victims and terminally ill as props to promote the use of marijuana." He is right. Former Surgeon General Jocelyn Elders declares: "I think that we can really legalize marijuana." If by "legalizing" she means repealing marijuana prohibition, then she does not know what she is talking about. We have sunk so low in the War on Drugs that, at present, legalizing marijuana in the United States is about as practical as is legalizing Scotch in Saudi Arabia. A

1995 Gallup Poll found that 85 percent of the respondents opposed legalizing illicit drugs.

Supporters of the marijuana initiatives are posturing as advocates of medical "responsibility" toward "sick patients." Physicians complain of being deprived of their right to free speech. It won't work. The government can out-responsible the doctors any day. Physicians have "prescription privileges," a euphemism for what is, in effect, the power to issue patients *ad hoc* licenses to buy certain drugs. This makes doctors major players in the state apparatus denying people their right to drugs, thereby denying them the option of responsible drug use and abdicating their own responsibilities to the government: "We will not turn a blind eye toward our responsibility," declared Attorney General Janet Reno at a news conference on December 30, 1996, where the Administration announced "that doctors in California and Arizona who ordered for their patients any drugs like marijuana . . . could lose their prescription privileges and even face criminal charges." I don't blame the doctors for wanting to forget the Satanic pact they have forged with the state, but they should not expect the

government not to remind them of it.

The American people as well as their elected representatives support the War on Drugs. The mainstream media addresses the subject in a language that precludes rational debate: crimes related to drug prohibition are systematically described as "drug-related." Perhaps most important, Americans in ever-increasing numbers seem to be deeply, almost religiously, committed to a medicalized view of life. Thus, Dennis Peron, the originator of the California marijuana proposition, believes that since relieving stress is beneficial to health, "any adult who uses marijuana does so for medical reasons." Similarly, Ethan Nadelmann, director of the Lindesmith Center (the George Soros think tank for drug policy), states: "The next step is toward arguing for a more rational drug policy," such as distributing hypodermic needles and increasing access to methadone for heroin addicts. These self-declared opponents of the War on Drugs are blind to the fatal compromise entailed in their use of the phrase

"rational policy."

If we believe we have a right to a free press, we do not seek a rational book policy or reading policy; on the contrary, we would call such a policy "censorship" and a denial of our First Amendment rights.

If we believe we have a right to freedom of religion, we do not seek a rational belief policy or religion policy;

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*The "medical marijuana" initiatives retard the repeal of drug prohibition and reinforce the moral legitimacy of prevailing drug policies.*

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on the contrary, we would call such a policy "religious persecution" and a denial of the constitutionally mandated separation of church and state.

So long as we do not believe in freedom of, and responsibility for, drug use, we cannot mount an effective

opposition to medical-statist drug controls. In a free society, the duty of the government is to protect individuals from others who might harm them; it is not the government's business to protect individuals from harming themselves. Misranking these governmental functions precludes the possibility of repealing our drug laws. Presciently, C. S. Lewis warned against yielding to the temptations of medical tutelage: "Of all the tyrannies a tyranny sincerely exercised for the good of its victims may be the most oppressive. . . . To be 'cured' against one's will and cured of states which we may not regard as disease is to be put on a level with those who have not yet reached the age of reason or those who never will; to be classed with infants, imbeciles, and domestic animals."

Although at present we cannot serve the cause of liberty by repealing the drug laws, we can betray that cause by supporting the fiction that self-medication is a disease, prohibiting it is a public health measure, and punishing it is a treatment. □



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# Reviews

***An Austrian Perspective on the History of Economic Thought. Volume I: Economic Thought Before Adam Smith. Volume II: Classical Economics*, by Murray N. Rothbard. Edward Elgar, 1995. Vol. 1, 556 + xvi pp. \$110.00. Vol. 2, 528 + xvi pp., \$110.00.**

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## Rothbard's Final Testament

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Robert H. Nelson

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Murray Rothbard had a lifelong interest in the history of economic thought. Before his untimely death, he assembled his reading and thinking on this subject into two large volumes, more than 1,000 pages in all. The story, as he tells it, begins in ancient Greece and continues up to the mid-nineteenth century. (One more volume was planned in order to bring the history into the twentieth century, but it was never finished.)

Rothbard explicitly intends to tell the story from an "Austrian perspective." He is at pains throughout to document the many writers who anticipated key insights of Ludwig von Mises and other twentieth-century Austrians. This turns out to be a very long list, including even many people who wrote well before the modern period. Indeed, one of the central themes of the first volume is the historical neglect of the major contributions of many economic writers prior to Adam Smith. Often they were members of the scholastic school of economics, whose importance, Rothbard argues, has been terribly underrated in the standard treatments of the origins of modern economics.

The second volume covers from Jeremy Bentham through Karl Marx. There is less here that will be new to most readers, and on the whole it is less impressive than the first volume. Perhaps Rothbard felt some pressure to rush it. About a quarter of the volume is devoted to obscure figures in the long history of the debate over the gold standard. Another section is spent demolishing the details of Marx's technical analysis, more space than that confused set of economic meanderings deserves. If Marx was important, which he certainly was, it was as a moralist and political propagandist — as a theologian of sorts, which is what Rothbard himself concludes in the end.

Rothbard is not going to challenge Joseph Schumpeter for the most authoritative history of economics done in this century. Indeed, Rothbard relies heavily on Schumpeter's magisterial *History of Economic Analysis* (1954), along with a number of other secondary sources by scholars who had the time to plow through the original works of many a minor economic writer or school. What Rothbard has done — and he has few competitors in this regard — is to bring all this material together in a work of grand historical synthesis. It is the kind of thing that your standard academic would never have the nerve to write, to

say nothing of the ability or the insight.

The overall result, even where Rothbard is not at the very top of his form, is a history that is consistently interesting and provocative — a pleasure to read. If you want a basic introduction to the development of economic ideas up to the mid-nineteenth century, I can't think of a more stimulating and enjoyable way to get it.

Of course, Rothbard also provides a large dose of his own views, many of them highly iconoclastic. Perhaps the most surprising aspect of the two volumes is the central importance Rothbard attributes to Christian religion. Jewish by birth, Rothbard was not known as a person of unusual piety. Yet, one of his main themes is the profound influence of various strands of Christianity on the history of economic thought. As he writes, "it is no accident that the Austrian School . . . arose in a country that was not only solidly Catholic, but whose values and attitudes were still heavily influenced by

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*Many of his nineteenth-century followers would actually find in Adam Smith the new prophet of a secular salvation, the Newton of social science.*

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Aristotelian and Thomist thought." Catholics were less "puritanical" about the sins of consumption and the improving influence of hard labor on the soul. Thus, they produced an economics in which the values of goods and services are grounded in concepts of utility — how much pleasure their consumption yields.

Adam Smith, in contrast, was brought up in Calvinist Scotland, where people believed, as Rothbard relates, that "consumer enjoyment is at

best a necessary evil, a mere requisite to continuing labor and production." Whether he was conscious of it or not, these attitudes exerted a great influence on Smith's economics, especially on his labor theory of value. Smith's commitment to this muddled and analytically untenable set of ideas is hard to understand other than as an expression of the Calvinist morality of his upbringing. In general, Rothbard testifies to a "growing conviction" over the course of his life that "leaving out religious outlook, as well as social and political philosophy, would disastrously skew any picture of the history of economic thought."

### Smith's Follies

Rothbard's treatment of Adam Smith is the most surprising and most controversial aspect of the two volumes. Rothbard argues that Smith is not the founding figure of modern economics, as he is usually portrayed. Rather, partly because he was led astray by his strong Calvinist proclivities, Smith proved to be a significant retrogression. Scholastic and other writers before Smith had already worked out a reasonable approximation of the microeconomic insights that have been accepted in the twentieth century by the Austrian school and most other right-thinking economists:

- a) Utility is the foundation of value;
- b) marginal considerations determine prices;
- c) the only way to know values and prices is to look to the actual workings of a functioning market.

As Rothbard tells the story, however, Smith undermined all these good efforts of prior economists with his *Wealth of Nations*, whose labor theory of value was an "unmitigated disaster," and whose theory of distribution and other key ideas are characterized by an "inchoate confusion." Not only was Smith "a plagiarist," but he typically "originated nothing that was true, and . . . whatever he originated was wrong" — and this is only a small sample of the barbs that Rothbard throws at Smith. Because he proved to have such a powerful influence, Smith's confusions led economics on a wild goose chase for 100 years, until Austrian and other marginal utility analysts of the

late nineteenth century could finally set things straight again.

It is not only that Smith got it all wrong analytically. By injecting into economics the Calvinist doctrine that all true value lies in labor, Rothbard argues, Smith paved the way not only for Marx but for a whole host of later thinkers who were to find in landlords and capitalists the true exploiters of humanity — thieves who without justification take what really belongs to the laborers. It is thus a huge mistake to consider Smith a great defender of markets and freedom. The truth is that he is the person "who may plausibly be held responsible for the emergence and the momentous consequences of Marxism."

### The Original Libertarians

Instead of the impostor Smith, Rothbard identifies a large number of other people who have genuine credentials as defenders of liberty — although most of them have been neglected in history. There are far too many to mention all of them here, but a small sample of the more notable can be offered. Rothbard considers the Taoists in China as the first libertarians. Around

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*It is a considerable irony that Rothbard's history of economics often ends up sounding much like the very Protestants whose influence he so laments.*

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500 B.C., Lao Tzu declared that any intervention by government would be counterproductive; government led to "laws and regulations more numerous than the hairs of an ox," which are "more to be feared than fierce tigers." Another Taoist, Chang Tzu, wrote that "a petty thief is put in jail. A great brigand becomes a ruler of state."

The same image was introduced into Western thought a few centuries later by Cicero, who, as Rothbard tells it, related "the story of a pirate who was dragged into the court of Alexander the Great." After denouncing the pirate for his crimes, Alexander asked what could have moved him to terrorize the seas and do such bad

things. The pirate replied, "the same impulse which has led you [Alexander] to make the whole world unsafe." Over the next 2,000 years, Augustine and many others would repeat this message that government is really piracy writ large.

In the sixteenth century, the world's leading economists were the Spanish heirs to the scholastic tradition who founded the School of Salamanca. One of the leading Salamancans was Luis de Molina, who showed, Rothbard finds, a deep "libertarian commitment to freedom and the free will of the individual." Molina's libertarianism was grounded in the natural law thinking that dominated scholasticism during the Middle Ages and the Renaissance. He taught that holding a right to something meant that if a man's use of it "is impeded, injury and injustice will be done to him." Molina's thinking was generally characterized by a view of "man as a free and independent being, making his own decisions and being held to them, on matters to do with both his physical and spiritual welfare."

The standard version of economic history has it that a simple-minded mercantilism, favoring government intervention throughout the economy, prevailed until the arrival of Adam Smith, who set the world straight. Here again, Rothbard says, this gives a very misleading impression. The economic concept of "laissez faire" was originated in the late seventeenth century by a Frenchman, Thomas Le Gendre. One of his associates wrote that "[l]iberty is the soul and element of commerce. . . . [Liberty] kindles a perpetual movement which produces abundance everywhere." A contemporary, Seigneur de Belesbat, wrote that "when liberty is absent, nothing is of any avail" and even "good harbors, great rivers, and . . . fertile [lands] are of no use."

The destructive consequences of taxation furnished a frequent theme for writers protesting against the folly of government. In 1638 the Frenchman Isaac Loppin lamented the "subsidies and imposts" on every manner of good and service. He proposed replacing them all with a small fixed tax limited to the wealthiest few — an early example of a number of flat tax proposals

uncovered by Rothbard. Early in the eighteenth century, another Frenchman suggested that the existing network of complex and oppressive taxation be replaced by a single ten percent tax on the income of each subject.

During the seventeenth and eighteenth centuries, many other English

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*Rothbard delivers his message in a bombastic and prophetic manner, condemning all the huge mistakes of his predecessors and never revealing a moment of self doubt.*

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and French writers criticized government activities; often they expressed libertarian views. While their advice was typically ignored, and many other economic writers defended all manner of state interventions, there was no lack of voices speaking out strongly against an overbearing government role. Even after Adam Smith, the tradition of libertarian thinking fared better for a time in France. The French philosopher and revolutionary, Condorcet, was in Rothbard's estimation a "great libertarian."

Jean Baptiste Say, the greatest French economist of the early nineteenth century — well known to economists today as the originator of "Say's Law"\* — taught that "the producers themselves are the only competent judges of the transformation, export, and import of these various matters and commodities; and every government which interferes, every system calculated to influence production, can only do mischief." Say's economist colleague, Destutt de Tracy, regarded all governments as intrinsically parasitic in character; the best treatment for industry was to "let it alone."

Given the great frequency with which articulate expressions of a libertarian outlook can be found throughout

history, two questions arise: why are they not better known, and why have they not had a greater influence? There are, of course, a number of explanations. One of the most important brings us to another of Rothbard's central themes: the baleful influence of Protestantism on many aspects of history. The example of Adam Smith's residual Calvinism leading him astray, with disastrous consequences for subsequent economics, is only one small instance.

### An Enemy of Liberty

Rothbard writes that by the early seventeenth century, government "absolutism . . . [had] triumphed throughout Europe. . . . This victory was fueled . . . by the rise of Protestantism." A key factor here was Protestant theology's rejection of natural law. According to the long-standing teaching of the Catholic church, "the state was bound to limit itself to the dictates of the natural or the divine law." This teaching placed an outside constraint, above and beyond the wishes of any individual government, on the actions of the state. Since natural law was part of theology, it also meant, in practice, that governments were accountable to a separate, independent entity: the church.

Finally, because natural law must be consistent with and is discovered by the exercise of right reason, and given that each person is endowed with the same basic rational faculty, an ordinary citizen has in principle as much access to knowledge of the laws of nature as the highest officer of the state. If a government should defy natural law, as revealed by right reason, it would be defying God, and resistance could be warranted. Governments, for example, must not act in violation of the principle that "not only man's right and dominion were natural but so too [were] private property" and other liberties.

The basic thrust of Protestantism, however, "was opposed to any natural law attempts to derive ethics or political philosophy from the use of man's reason." For Luther, an excess of reason could produce a dessicated faith, empty of real religious content; salvation was "by faith alone." Moreover, reason, owing to man's post-Fall

depravity, is inherently unreliable, very often deceiving those who are most sure of their correctness. These convictions not only undermined the force of existing natural law restraints on the state, but in much of Europe abolished the independent moral and political authority of the Roman church. As Rothbard concludes, in these and other ways, "Protestantism opened the way for the absolute state." When other secular defenders of absolutist forms of government followed in this path, it proved a disaster for liberty in Europe.

Then, after 150 years of religious war and social and economic chaos, the original responsibility for the disaster had to be obscured. Until recently the effort succeeded in northern Europe, largely because Protestants were writing the history. And these are the same versions of history generally accepted today in the United States. For example, in their histories of economic thought, writers in Protestant countries long ignored and distorted the powerful insights and sophisticated economic analysis of the Catholic scholastics. Since Protestant writers had not produced any comparable body of work,

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*This is not the meticulous and carefully qualified tone of a philosopher in the natural law tradition such as Aquinas; it is the voice of a Luther or a Marx.*

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they spread the false impression that all real economics begins with Adam Smith.

Rothbard, however, finds that centuries earlier the writings of Thomas Aquinas already contained many insights and a very healthy respect for markets and private property. Aquinas' philosophy views property rights as a "necessary feature of man's earthly estate." They provide "maximum incentive for the care and efficient use of property." Aquinas himself wrote that without the presence of such rights, "each one would shirk the labour and leave to another that which concerns the community, as happens when there are a great number of

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\* Say's Law, crudely put, states that supply and demand must balance each other in the long run, and an economy's tendency to regulate itself will naturally prevent unemployment or overproduction.

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servants."

It was mostly Protestant economists who spread the calumny that the "just price" and "just wage" doctrines were attempts by Catholic theologians to impose a simplistic morality to justify government control over the market. The truth, Rothbard explains, is almost exactly the opposite. For many centuries the mainstream scholastic tradition had taught that "the just price is the market price. . . . This price will be the outcome of individuals' calculations about their wants and values, and these in turn will be affected by the relative lack or abundance of supply, as well as by the scarcity or abundance of buyers." In other words, the just price is essentially a reflection of the forces of supply and demand on the margin, an understanding that Alfred Marshall, working in the English tradition, would eventually rescue from the mischief done by Smith. In short, it was the Catholic scholastic economists who had the technical analysis right; it was actually the anti-consumptionist Protestants who had tried to substitute a moral system for the correct economic method.

There was little hope of straightening all this out, however, until the second half of the twentieth century, when the authority of Protestant religion was waning in Britain and the United States. Then, as Rothbard comments, it became possible to overcome the influence of people like the "fanatically anti-Catholic economist Frank Knight and his followers in the now highly influential Chicago school." An emigré from a Catholic country to the U.S., the Austrian Joseph Schumpeter, was the leading contributor to this process. On matters of scholastic economics, Rothbard also gives significant credit to Raymond de Roover, a professor at a Jesuit institution, Boston College. Although they and other important revisionist historians such as Emil Kauder have received considerable scholarly attention in recent years, Rothbard is among the first to examine the long-run interaction of economic thinking and religious belief — not only in the medieval period but in the modern era as well.

## The Marxist Heresy

Offering another illustration of the great impact of religion on the history

of economic thought, Rothbard shows how the real roots of Marxism lie in the millennial tradition of Christianity. The vision of twelfth-century Italian mystic Joachim of Fiore "already resonates with the later Marxian dialect." Adding another mark against Protestantism, the Reformation would do much to spread ways of thinking that, taking an extreme form and developed as a secular religion, would find their way into the Marxist gospel.

Compared with the more worldly Catholic church, which saw property rights as part of building a better world, the Protestant reformers had a negative view of property. Protestantism looked more to the early Christian position that the institution of property is a product of sin, and can be justified only as a necessity to maintain a semblance of order in a fundamentally corrupt world. To be sure, as soon as the fall of man can be reversed, and heaven finally comes to earth, Christian theology promised that the twin evils of government and property alike would be abolished — very much as Marx would later promise.

But with the authority of the Catholic church undermined by the Protestant Reformation, and with Europe newly open to all manner of new religious thinking, a host of Protestant revolutionaries emerged to spread the message that there was no need to wait, that heaven was possible in the here and now. Rothbard describes how the Anabaptist Thomas Müntzer attracted hordes of followers seeking to "impose a society of theocratic communism by brutal force of arms," a rebellion eventually crushed by German princes at the loss of 100,000 peasant lives. In the town of Münster in northwestern Germany, a "compulsory communism and reign of terror" was established for a time under the leadership of another petty Protestant tyrant. All food was confiscated from individuals and handed out according to the whims of "government deacons"; a regime of compulsory free love would eventually also be instituted.

A central tenet of Protestantism, that the fall of man had plunged mankind into a state of fundamental depravity, would, as alienation, become a key concept of Marxism. As

Rothbard explains, alienation goes far beyond conventional notions such as distress, unhappiness, anxiety. It means for Marx something "far more fundamental, more cosmic" — a state of "radical evil." Indeed, it amounts to a secular way of saying that "man has been separated from, cut off, 'alienated' from God, as well as from other men, or from nature." Improved management, better policies, and other incremental measures will do no good. In order to escape the existing state of radical evil — for Christians to reverse the effects of the fall, for Marxists to end the state of deep alienation — something will have to happen to fundamentally transform the human condition.

Fortunately, as Marx would promise, that was sure to happen soon; it was predetermined by the laws of economic history — laws, as Rothbard explains, that in Marxism were now "substituting . . . for God's will." This "great transcendence" was thought to be possible because of "one of the crucial, usually implicit assumptions of the communist society — that [the coming state of modern] superabundance will have eliminated the problem of scarcity." And with "the economic problem . . . simply and quietly assumed away," Rothbard writes, there would no longer exist any remaining grounds for killing, theft, hatred, jealousy, all the ills of mankind.

Marxism thus shares with socialism, American progressivism, and other secular religions of the last 150 years the assumption that evil is purely the product of the fierce struggle for control over material possessions — that this life-and-death competition is the real source of "original sin." The elimination of scarcity means the arrival of heaven on earth. Economists are the true priesthood, the group that actually holds the keys to salvation, if now to be realized by human action in this world.

Marx's fantastic scheme for a secular salvation — hatched in the same Germany that 300 years earlier had spawned Thomas Müntzer and other Protestant revolutionaries, and grounded in a similar Protestant view of the human condition — proved to be the most powerful millennial vision of all time. Revolutionaries from Lenin to Mao would act in the name of fulfilling the economic laws of history. It is

astonishing to think that such a half-baked Christian heresy could throw much of the twentieth century into a chaos exceeding the turmoil and violence of the wars of religion of the fifteenth and sixteenth centuries.

### Welfare State Delusions

The former Soviet Union and other communist countries are not the only ones where a founding economic thinker is actually a "crank" who writes in "made-up jargon," who surrounds himself with "flunkies," and whose thinking introduced a "bacillus." Indeed, these are the terms that Rothbard actually applies to Jeremy Bentham. And he has little better to say about David Ricardo, John Stuart Mill, and others who followed in Bentham's path. Bentham, the founder of utilitarian philosophy, was among the first to conceive of economics in social engineering terms. He proposed a set of political reforms that anticipated a good part of the later agenda of the British Labour Party. He might well be considered the first to systematically develop the basic vision of the twentieth-century welfare state.

Bentham's claim that he had established a rigorous science of social decision-making, based on quantitative calculations of total pleasures minus pains, set the stage, for example, for the claim of modern governments that they practice "scientific management." Cost-benefit analysis is just old Bentham in a new bottle. The "public interest" that American progressivism believes government will serve is simply another way of saying that government will act to maximize the total happiness of society. All this, to be sure, as Rothbard tells us, has about as much intellectual merit as the apocalyptic visions of Karl Marx.

Thus, as Rothbard observes, Bentham's utilitarianism is a "scientific" quackery. In the real world no one has ever been able to ground social and individual decision-making in mathematical calculations of utility. And if the goal of "maximizing utility" is taken more as metaphor, then utilitarianism is reduced to little more than a tautology, saying in essence that I do what I want to do. Rothbard argues that Bentham's policy proposals (and those of subsequent utilitarians) are

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anything but scientific, value-free analysis. Instead, they reflect a strong "value position" on their part that is "implicitly ethical" in every way. The further effort of Bentham to "substitute 'efficiency' for ethics" also never had a chance. Since a science of society can achieve almost none of the things that Bentham claimed, the Benthamite scheme adds up to a grand design for the welfare state as "social despot." It seeks to curb the freedoms of the people in the name of a new priestly class, the scientific managers of society — who are above all economists.

The flavor of Bentham's writings may seem remote from the present era, but Rothbard views the current American economics profession as still afflicted with a Benthamite set of diseases. American economics offers a false scientific front; it is preoccupied with abstruse mathematical analyses and with "long-run equilibrium," but the "fundamental reality" is that this long-run state "never exists at all." Economics pretends to be value free when in fact it is a secular religion that makes efficiency its highest value; the whole enterprise is dependent on an underlying assumption of the redeeming benefits of economic progress. Like Bentham's broader utilitarian philosophy, formal economics today is in itself capable of yielding few concrete proposals; its real role is as a source of priestly blessings for government actions that reflect the underlying goals and values of the new scientific priesthood. If all this should ever be exposed to full public view, to be sure, the scientific grounds of legitimacy of the welfare state might be undermined.

### Rothbard's Religion

Rothbard's belief that religion has significantly influenced almost every area of economic thought raises an interesting question: how does this apply to Rothbard himself? Is he simply the product — or prophet — of yet another religious belief system? Rothbard never answers this question directly. But a kind of Rothbardian "theology" can be sorted out from a number of comments scattered throughout these two works.

In a nutshell, Rothbard believes that a true libertarianism must include a fundamental belief that the state "is

bound to limit itself to the dictates of the natural or the divine law." Conversely, as noted above, it is no coincidence that the rise in the late Middle Ages of "the glorification of the state" was accompanied by a growing "denial that human reason could come to know any natural law." For example, Machiavelli, a "conscious preacher of evil" in Rothbard's estimation, understood that maximizing the power of the prince required that all real commitment to Christian ethics — as then grounded in natural law — "must be

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*Rothbard argues that Smith paved the way not only for Marx but for a host of later thinkers who were to find in capitalists the true exploiters of humanity.*

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abandoned." Without any objective higher ground "from which to criticize the actions of the state," the actions of government will be decided by the outcome of an unprincipled struggle for political supremacy in which might alone is the determining factor.

Rothbard criticizes the defenders of liberty who have argued that

[s]kepticism, the attitude that nothing can really be known as the truth, is the best groundwork for individual liberty. The fanatic, convinced of the certainty of his views, will trample on the rights of others; the skeptic, convinced of nothing, will not. But the truth is precisely the opposite: the skeptic has no ground on which to stand to defend his or others' liberty against assault. Since there will always be men willing to aggress against others for the sake of power or self, the triumph of skepticism means that the victims of aggression will be rendered defenseless against assault.

In other words, a libertarianism that is not fortified by religion, or at least deep belief in absolute truth, will stand defenseless in a world where many other people do have such convictions. Thus, the Nazis in Germany met with little opposition from a population taught by its intellectual elite to believe that all the old religious and other tra-

ditional truths were merely relics used to defend one or another past superstructure of authority. The Nuremberg trials, a reaction against the horrors that resulted, sought to re-establish an objective standard of moral behavior transcending any nation or government. They were in essence a rediscovery of natural law, a reassertion that there is within each human being a capacity to know and understand rules of moral conduct that are universally true and binding.

Natural law concepts were originally developed in ancient Greece and Rome and then became an integral part of the Christianity of the Roman Catholic church. Although medieval writers looked to God for help, they also believed — and Rothbard concurs — that in principle the truths of natural law can also be established on a "truly scientific" basis through reason alone. The discovery of a true ethics is achievable, he says, through a process of "rational inquiry" into "what is best for man in accordance with his nature." This classic natural law statement, asserting the power of scientific reasoning to discover the rational truths of the world, is, it would seem, Rothbard's real religion.

### Some Contradictory Elements

One might agree with Rothbard about the requirements for the defense of liberty and yet still find parts of his overall argument unsatisfactory. Either natural law exists, either it is valid, or it is not. For an ethics grounded in natural law to be an effective bulwark against the absolutist state, people must have a religious certainty about its truths. And here a big problem arises. Although Rothbard surveys more than 2,000 years of economic thought, the product of all this effort is not reassuring in terms of the basic premises of natural law. Rothbard portrays an overall process of lurching from one bad idea to the next; when an economist somewhere finally gets it right, he is ignored or soon forgotten by most of the world.

Indeed, as Rothbard assesses matters in these two volumes, the economic writers with the greatest influence have often been the most muddled. In the modern period, they have often given us religion in the name of science, a



particularly dangerous brew. Right-thinking libertarians such as Rothbard, although surprisingly numerous over the years, have been consistently scorned and ignored in every age by men of affairs. All this hardly inspires confidence in the strength of each person's rational faculty, or in the ability of people to arrive at any set of universal social and moral truths firmly grounded in the laws of nature — let alone that any real-world government will have the wisdom to recognize these truths, or the moral commitment to adhere to them.

It is a considerable irony that Rothbard's history of economics often ends up sounding much like the very Protestants whose influence he so laments. Luther and Calvin would not have been surprised at the story of history as Rothbard develops it, showing one irrational economic theory or outcome succeeding another over the 2,000 years covered. What else to expect, they would say, when reason must always be fatally compromised by the fall of man. It is also ironic that Rothbard delivers his message in a bombastic and prophetic manner, condemning all the huge mistakes of his predecessors and never revealing a moment of self doubt. This is not the meticulous and carefully qualified tone

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*Perhaps the most surprising aspect of this book is the central importance Rothbard attributes to Christianity.*

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of a philosopher in the natural law tradition such as Aquinas; it is the voice of a Luther or a Marx.

In many ways, Rothbard is actually another one of the great "protesters" of history. Like his Protestant forebears, he is more than willing to destroy the established order in the service of a deeply held ideal. Indeed, Rothbard's lifetime mission of abolishing the state would be a revolutionary development of the same order of magnitude as Luther's campaign to expel the Roman Catholic church.

At one point, Rothbard observes that institutions such as the Catholic Church or the Supreme Court of the

United States — both formed in natural law traditions — often maintain an "unchanged formal shell," even while significant changes are gradually taking place below the surface. The Rothbards of the world, however, are notoriously intolerant of the fictions that help to grease the normal workings of real-world bureaucracies.

### **Being "Puritanical" About Liberty**

Many historians today would agree with Rothbard's assessment that the immediate impact of Protestantism was calamitous for freedom in Europe. A few people have even said — with at least some small plausibility — that the ultimate blame for Hitler lies with Luther.

Unlike Rothbard, most historians are convinced that Protestantism also played a critical role in the rise of modern political and economic freedoms in Europe. Protestant theology prescribed a whole new relationship between the individual and the church. If saving one's soul depended on faith alone, this was clearly a matter solely in the hands of each individual in his direct relation with God — with little mediating role for the church. Luther translated the Bible so that the ordinary person could read it for himself, breaking the monopoly of the priesthood. In Calvinist churches, ministers were selected through democratic elections. But whereas authority flowed upward in Protestant denominations from the individual members of the church, all essentially equal to one another, it flowed downward in Catholicism, with God instructing the Pope, who instructed the clergy, who instructed the laity.

Indeed, if God's truth can be reached through the exercise of reason, as the Catholic natural-law theology asserted, some people will reason better than others. Philosophy and a body of authoritative writings will develop; each new generation will build on the works of the past. The best thinkers today, as identified through a competitive process of public discourse and debate, will have special claims to authority. In short, a natural law regime inherently promotes the growth of official precedent and hierarchy. By the time Protestantism came on the

scene, the Roman bureaucracy had become ossified, complacent, and corrupt. By undermining the church hierarchy, Protestantism opened the way for new ways of thinking, not only in religion but in physics, medicine, economics, and all manner of other subjects.

When seventeenth-century English Puritans extended Protestant individualism to define the appropriate relationship with the state, modern ideas of political and economic freedom emerged. The secularization of Protestant theology meant, in essence, that the state, like the church, must have the consent of the people; it

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*Rothbard describes Jeremy Bentham as a "crank" who surrounded himself with "flunkies," and whose thinking introduced a "bacillus."*

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meant that each person has a right to hold property, as he has a right to determine his own religious convictions, without state or church interference, so long as he does not interfere with the rights of others. The English Puritans brought to this struggle the fierce commitment of a group of people who believed that their very salvation might be at stake. Few people have ever felt such religious passion in demanding that the actions of government must be rationally grounded in a correct economic (or other) analysis of the laws of nature.

Altogether, the influence of the Puritans on the development of modern economic and political freedoms was, as the distinguished German theologian Ernst Troeltsch once wrote, "extraordinarily great." The Puritans were the ones who really laid the basis for the idea of "the inviolability of the inner personal life by the State," and brought about the demise of medieval patterns of "coercive Church-and-State civilization." It was not necessarily that the Puritans intended this result; indeed, all of Protestantism, including the Puritan version of Calvinism, represented in many ways a reaction against the looming forces of the modern

world. Yet the Puritans provided the "religious impulse [that] opened the way for modern freedom." The full consequences, as they took shape first in two nations where the Puritan influence was particularly strong, England and the United States, would be truly momentous for the world.

### A Grand Synthesis

Rothbard and Troeltsch are both right, but in different ways. Protestantism — as the theology emerged in the 16th and 17th centuries, not the feel-good version of the twentieth century — is a real threat to liberty. But Catholic countries have had their share of petty tyrants and dictators. The effective defense of liberty may require a theology of the sort that motivated the Puritans to wage war in defense of their specifically religious freedoms.

By the eighteenth century, Puritan devotion and Protestantism generally were already waning in influence. The Enlightenment often had a corrosive effect on Christian faith in general. The state, increasingly, was effectively becoming the church for many people, as secular political creeds attracted mass followings. Following Rousseau, the French Revolutionaries proposed to use the state to achieve their salvation right here on earth.

If the Puritans provided the basis for modern freedoms, perhaps the modern age needs a new foundation. It might, ideally, combine the following elements. Salvation, as in Protestantism, should now be achievable on earth. And it should be a matter of the individual acting freely and autonomously, as in Protestantism, but in this case with a secular substitute for God (ruling out, for example, collectivist gospels like Marxism). Finally, all this should be founded in natural law. Such a grand combination would synthesize the elements of Protestantism and Catholicism that have proven most essential to the defense of liberty.

Could anyone find a way to put these things all together in one system of thought? Yes — and it was, I submit, none other than Adam Smith.

The philosophy set forth in *Wealth of Nations* meets one key requirement, in that every individual must be free to act as an autonomous entity — to pursue his or her economic self interest —

without interference of state, church, or other outside body. It has the purity of Protestantism, in which salvation is by faith alone. But for Smith, individual actions' contributions to well-being are judged by their success or failure in the marketplace. Smith's grand design also drew heavily on the natural law approach. In Catholic theology, human knowledge of the laws of nature was regarded as possible, but very imperfect; and it was generally assumed that this would be the case for a very long time, if not forever. Yet, if God's entire design for the world could somehow be known, the keys to perfecting human existence would finally be ours. Mankind would have the knowledge to live in perfect harmony with the laws of nature, opening the way to a virtual heaven on earth.

Then, with the Enlightenment, many people came to believe for the first time that this transformation might actually be possible. It seemed to the eighteenth century that by using the methods pioneered with such astonishing success by Newton, science would soon reveal all the laws of the physical world. If Newton could discover laws explaining the motion of physical objects, why couldn't someone discover laws explaining how society worked as well? And with their discovery, mightn't the perfection of the human condition finally be attainable?

On a number of occasions, Rothbard expresses deep puzzlement at the great impact that Smith had on social thought, especially given that his economics lacked originality and abounded in error. But Rothbard is not thinking in large enough terms here. Whatever the details of his economics, Smith laid out a grand picture that suggested a Newtonian science of the social order. Self interest was the true motivating force, the equivalent in the social world to gravity in the physical world. The workings of self interest, if the state would not interfere, would yield a social harmony analogous to the perfect equilibrium of the solar system. The application of the scientific discovery of the true workings of self interest would mean nothing less than living in perfect harmony with nature, in a natural law framework — amounting to the secular salvation of mankind.

Admittedly, there was too much of

a residual Calvinist element in Smith for him ever to make this glowing promise in such prophetic terms. But he had provided the requisite grand vision. Many of his nineteenth-century followers — those whose attitudes are so inexplicable to Rothbard — would actually find in Smith the new prophet of a secular salvation, the Newton of social science. Smith's greatest historical success, like so many of the leading thinkers in the modern age, was not fundamentally as an economic analyst but as a new kind of theologian — and it was not essential to this outcome that Smith should see his role in precisely these terms.

As the theologian Paul Tillich once put it, "the idea of providence is secularized in the Enlightenment," and its "first clear expression can be seen in the area of economics." The perfect harmony of a competitive market "produces indirectly what [in an earlier era] was supposed to be produced directly by a divine interference" to save the world.

But if this perfection now occurs here on earth, whereas it had previously occurred in the hereafter, the distinction has seemed to make remarkably little difference over the past two centuries. The secular faithful of the modern gospels have shown as much ardor and depth of religious commitment as the traditional Jewish and Christian believers of earlier centuries. It is only now, at the end of the twentieth century, that there is a growing skepticism — even among those who still reject traditional religion — that perfection by economic or any other human action is possible here on earth.

To understand in this way the place of Smith in history is not to say that Rothbard is mistaken in severely indicting some of Smith's technical deficiencies. It is, however, to argue that Smith was engaged in a much larger and more creditable undertaking than Rothbard understands. Moreover, Smith did what Rothbard himself says must be done to defend liberty effectively: he enlisted religious passions in a natural law framework. If the competitive market was the one way of organizing society consistent with the true laws of nature, and if economics alone thus provided the route to secular sal-

vation, it also followed that the individual had a relationship to economics that mirrored the Protestant understanding of the relationship of man to God.

To be sure, Smith's heroic effort to marry Protestant and Catholic elements in a grand synthesis may no longer work for our times. It is easy to see his vision, not as a depiction of the immutable laws of nature, but as a product of its specific time and place. As another gospel of secular salvation, it is also perhaps out of place in a twentieth cen-

tury badly burned several times over by religious passions inspired by other such gospels. But if firm support for liberty cannot be discerned in the laws of nature as revealed by the free market design of Adam Smith, where can it be found? Rothbard says that we desperately need an answer — one that his thinking suggests must ultimately be grounded in religion. It in no way diminishes the many great merits of these two volumes to say that the solution is not to be found in their pages. □

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***Libertarianism: A Primer*, by David Boaz. Free Press, 1997, 336 pp., \$23.00 (hc). *What It Means to Be a Libertarian*, by Charles Murray. Broadway Books, 1997, 192 pp., \$20.00 (hc).**

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# A Contrast of Visions

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R. W. Bradford

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Libertarians had good reason to celebrate the New Year: the simultaneous publication of Charles Murray's *What It Means To Be a Libertarian* and David Boaz's *Libertarianism: A Primer*. Both are intended as introductions to libertarian thinking, and serve that purpose admirably. And both were launched with greater than usual fanfare: Murray's with an impressive media campaign and \$100,000 worth of advertising, Boaz's with an extensive campaign on talk radio and a marketing plan that aims at popularizing its use in university classrooms.

Boaz and Murray are extraordinarily clear writers who are well-versed in their subject — that is to say, well-versed in their own political thought. Both have spent a great deal of time trying to articulate their ideas, and both are pretty good at it. But do not make the mistake of concluding that these are books whose primary purpose is to introduce people to libertarianism, for each goes far beyond that. They can be

read with great profit by any libertarian, for each provides a sparkling statement of quite different versions of libertarian theory, nicely illustrating the conflicts within libertarianism today.

## Natural-Rights Libertarianism

*Libertarianism: A Primer* is not a primer at all; at any rate it is not what my dictionary tells me a primer is, namely, "a textbook giving the first principles of any subject." It is really a concise treatise, a comprehensive summary of the Randian-Rothbardian variety of libertarianism, leavened a bit by contemporary Aristotelian ethics, put into the context of Western history, and applied to a variety of current public policy issues. *Libertarianism: A Primer* reflects contemporary libertarianism very well. Its strengths parallel those of contemporary libertarianism — in its practicality, its respect for human diversity, its vision of a society of flourishing individuals cooperating peacefully.

But its weaknesses, I am sorry to

say, also reflect those of contemporary libertarianism. I speak here of the Randian-Rothbardian theory of rights, which underlays Boaz's entire political theory, and more broadly, his social ethics.

For Boaz, "[l]ibertarianism is the view that each person has the right to live his life in any way he chooses so long as he respects the equal rights of others. . . . Libertarians defend each person's right to life, liberty, and property — rights that people possess naturally, before governments are created. . . ." (2)

These rights have to come from somewhere:

Any theory of rights has to begin somewhere . . . Humans, unlike animals, come into the world without an instinctive knowledge of what their needs are and how to fulfill them. As Aristotle said, man is a reasoning and deliberating animal; humans use the power of reason to understand their own needs, the world around them, and how to use the world to satisfy their needs. So they need a social system that allows them to use their reason, to act in the world, and to cooperate with others to achieve purposes that no individual could accomplish.

What other possibilities besides self-ownership are there? . . .

- *Someone — a king or a master race — could own others. . . .*

- *Everyone owns everyone, a full-fledged communist system. . . .*

Thus, either communism or aristocratic rule would divide the world into factions or classes. The only possibility that is humane, logical, and suited to the nature of human beings is *self-ownership*. Obviously, this discussion has only scratched the surface of the question of self-ownership; in any event, I rather like Jefferson's simple declaration: Natural rights are self-evident (61–62).

Well, maybe they're self evident to Boaz. But after reading his explanation, they aren't evident to me at all. Boaz is so elliptical here that I am not sure what he is arguing. He seems to be saying that there are only three alternatives: (a) a small elite has total ownership of everyone else, (b) everyone has total control of everyone else (a situation that quickly reduces to the first alternative); or (c) everyone has

total ownership of themselves.

This, I submit, is balderdash. I don't believe people have ever experienced any of these three alternatives, though they have been advocated by one ideology or another. Libertarians want to maximize self-ownership, or even to make it absolute; totalitarians want to minimize it or even eliminate it totally. But almost every society in history has granted individuals certain rights but not others, and deemed some rights are absolute and others relative. A few pages later, in his discussion of property rights, Boaz observes that "[f]or each entity there is in fact a bundle of property rights, which can be disaggregated" (67). Apparently, for Boaz, the entities we call human beings are an exception to this rule.

Self-ownership implies the right to own property: "the right to self-ownership means that individuals must have the right to acquire and exchange property in order to fulfill their needs and desires" (66-67). How are property rights established? Following Rothbard's lead, he quotes John Locke: "whoever first 'mixed his labor with' a piece of land or property acquired title to it." This, Boaz writes, is "one way to acquire property" (67). Curiously, he neither offers another way to acquire property nor delves into the problems with the Lockean approach.

Lockean theory entails that undeveloped land (i.e. wilderness) cannot be property. It thus provides powerful incentives to destroy wilderness whenever one encounters it. If no man has ever "mixed" his labor into a piece of land, then it remains something other than property (or perhaps "unowned property") until someone comes along and mixes in a little labor, after which happy event the labor-mixer finds himself with full title. This is just about the perfect incentive to destroy wilderness — something that Boaz is apparently against, since he tells us "libertarianism offers the best available framework for producing the environmental protection that people want" (248). Certainly, one form of environmental protection that people want is preservation of wilderness. Yet the rights theory he proposes virtually entails the destruction of all wilderness.

There is another serious problem with establishing ownership. Proper

title rests entirely on a chain of voluntary exchange. "Time does not justify crime," as Murray Rothbard liked to say. The title of a piece of property does not change when it is stolen. So if that piece of land on which your home sits was given up to the state in lieu of property taxes, its proper owner today is presumably the heir (or some combination of the heirs) of the person who had it seized by the state.

Now most real estate (in the United States, at least) has a fairly well-known chain of title, and I suppose most Americans could check out whether the land they own (or want to own) has ever been surrendered as tax.\* This same logic applies to tangible property,

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*Boaz's theory entails that wilderness cannot be owned by anyone. It thus provides powerful incentives to destroy wilderness whenever one encounters it.*

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including that most prosaic tangible property: money. In a country in which more than 30% of GDP is paid in taxes each year, the chances are that every single dollar in your wallet and in your bank account has at one time or another been paid in taxes — that is, taken from a person under threat of bodily harm or imprisonment. Indeed, in a society which has been saturated by state action for centuries, finding a single piece of property with clear title (from the point of view of the Randian-Rothbardian libertarian) is virtually impossible.

After discussing property rights for several pages, Boaz gets down to the real payoff: "no one has the right to initiate aggression against the person or property of anyone else." Just in case you might miss the significance of that moral imperative, he titles it "The Nonaggression Axiom," centers it on

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\* Of course, the original title of most land in America is murky at best, since it was taken under duress from native Americans. Rothbard himself advocated returning most of America to native Americans and Chicanos.

the page, puts it in italics, and describes it as a "central principle of libertarianism" (74). Boaz's emphasis is justified: for those in the Randian-Rothbardian tradition, virtually the entire corpus of libertarian political theory and their stand on every political issue emanates from this principle. Every question of public policy — even the existence of the state itself — is judged by whether it involves the initiation of force.

The importance of natural rights leads Boaz to raise an interesting question: "Do you have to believe in natural rights to be a libertarian?" He notes that "Ludwig von Mises, Milton Friedman, and Milton's son David Friedman reject natural rights and argue for libertarian policy conclusions on the basis of their beneficial consequences" (82). After dismissing Mises' utilitarian approach in three paragraphs, Boaz turns to the problem that has caused many libertarians to reject the position he has just advocated.

Of course, what we're talking about here are some of the absurd consequences of the non-aggression imperative when applied in peculiar situations:

Suppose you're in a shipwreck, and there's only one lifeboat that will hold four people, but there are eight people trying to cling to it. How do you decide? And — directed at libertarians or other natural-rights advocates — how does your rights theory answer this question. David Friedman says, suppose only by stealing a gun or a piece of scientific equipment can you stop a madman from shooting a dozen innocent people or an asteroid from crashing into Baltimore. Would you do it, and what about property rights? (84)

Like many other natural-rights libertarians, Boaz grants that "in some emergencies, considerations of rights go out the window" because of the problem of applying the non-aggression imperative in situations like this. But unlike most, he provides a way, more or less, of determining when tossing rights out the window is the right thing to do:

Rights cannot apply where social and political life is not possible. . . . these exceptions apply only in emergency situations. A key part of the situation must be that a person finds himself in a desperate situation *through no*

*fault of his own.* It cannot be enough that he simply has less than others, or even that he has too little to survive. (86, italics in original)

This is an improvement on Ayn Rand's "The Ethics of Emergencies" (*The Virtue of Selfishness*, 1961), but it still leaves problems. For one thing, Boaz never tells us whether there are other "key parts" to determining whether one is in a situation in which rights go out the window — in other words, whether there are other circumstances in which one can properly ignore consideration of rights.

Assuming for a moment that this is the sole exception, then the non-aggression imperative should be reformulated along these lines: "It is always wrong to initiate aggression against the person or property of other people unless one desperately needs to do so because he finds himself in a situation through no fault of his own."

To me, this isn't a real solution. One problem lies in Boaz's qualifier, "through no fault of his own." Think for a moment about the lifeboat situation. Are you really in the situation through *no* fault of your own? Couldn't you have taken a safer ship? Or one that didn't pass through iceberg-infested waters? Or taken in your baggage a small inflatable personal lifeboat? Or stayed home? Are you really there through *no* fault of your own? And of course, as all good leftists know, it's hard to say that "your" var-

instead of taking a boat, if only the government hadn't taxed you. Certainly you would have known better if the government hadn't cramped the flow of information. And so on, *ad nauseam*.

Or consider another hypothetical situation, this one posed to libertarians in a survey conducted by this magazine:

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 (*Liberty*, July 1988).

This situation plainly fails to qualify as an emergency that enables one to throw rights out the window: obviously you are in the situation through your own clumsiness, which is certainly a "fault" of your own. As to whether this situation is one in which "social and political life is not possible," I have my doubts, though I'd have to know more about Boaz's thinking on the subject.

So plainly, as you clutch the flagpole, you have no right to enter the condominium. The non-aggression imperative applies: you have no right to trespass at all. In fact, by the Randian-Rothbardian theory, it was probably wrong to have grabbed the flagpole in the first place! Obviously, what you should do is apologize to the property owner and drop to certain death. (Of course, only the most dyed-in-the-wool advocates of the R-R position actually choose this option: in our survey, only two individuals out of approximately 150 respondents did so, and I doubt that either of them would choose immediate death over a minor violation of someone's property rights if faced with a similar situation in real life.)

I suppose there is some way to add another qualifier to the non-aggression imperative, maybe something like, "except when you really, really, *really* need to aggress, and the cost to the other party is not very much." The problem here is that we are getting so many qualifiers, and such fuzzy qualifiers, that the non-aggression imperative is losing its value as a moral rule.

If we have to cogitate long and hard on whether the situation we face is one

which is partly our own fault, whether it is one in which social and political life is impossible, whether we really, really, really need to aggress, and whether the impact of the aggression is very high — well, the charm of the non-aggression principle is pretty much lost. Not only is its utility as a moral rule reduced — the purpose of a rule of this sort is to expedite making choices in difficult situations — but it

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*In contrast to Boaz's view of libertarianism as a set of implications of natural rights theory, Charles Murray sees libertarianism as something broader, fuzzier, and more important.*

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doesn't work as a trump card that wins every trick in a political discussion.

A quick example: suppose you live in Britain in 1940, where Nazi invasion appears imminent. Is military conscription acceptable? Most libertarians would cite the non-aggression imperative and reply that it is not, perhaps adding that if the situation is as dire as it seems, most people would volunteer anyway. But in this case, is there not a genuine emergency? Certainly if Britain is unable to mount an effective defense, the Germans will conquer it and, presumably, the people of Britain will be greeting each other with "Heil Hitler!" while their German overlords wash with soap they made by rendering Britain's Jewish citizens. Is "social and political life" possible when such a vicious dictator threatens? Do the people of Britain "really, really, really" need its young men to mobilize for war? The answers to these questions are not obvious.

What you are left with, after these and perhaps other qualifications are appended, is a general policy prescription along the lines of, "It is generally better for government to respect the life, liberty, and property of its citizens." But this general rule is exactly the sort of rule that Mises and the Friedmans (and many other libertarians) propose, but that Boaz finds

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*For Murray, the non-aggression principle is merely a rule of thumb, not the universal moral imperative that it is to those in the Randian-Rothbardian tradition.*

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ied faults are "faults of your own." What about your dreadful schooling, attacks on your self esteem, genetically transmitted intellectual deficiencies, inadequate nutrition that led to mental impairments, emotional trauma due to your parents' divorce, etc. And what about the harm done you by various impairments of your "rights"? — certainly you would have been able to fly,

unsatisfactory.

Once Boaz gets past the foundations of libertarian theory, he is on much firmer ground. (At least I no longer felt like the ground was crumbling beneath my feet!) His vision of how a free society functions and how liberty enables people to flourish is nothing short of brilliant. Page after page offer concise, clearly-written explanations of how our present state actually functions — and it's not what you learned in high school civics.

His discussion of current policy issues is particularly good: he identifies problems clearly, applies theory rigorously, and illustrates his points with relevant data, all in a very concise and readable fashion. On any number of issues, I cannot think of a better analysis than Boaz presents. The exposition is straight-forward and clear, the kind of writing that made Isaac Asimov a millionaire. The clarity of Boaz's discussion and the breadth of his exposition make this valuable even for those whose familiarity with libertarian thinking is considerable.

*Libertarianism: A Primer* is a good book to fill in the gaps in your own thinking, or to introduce your neighbor to libertarian thought, if your neighbor happens to be interested in the arcana of political theory and public policy. And it just might stimulate your own thinking about the foundations of libertarianism.

## A Different Libertarianism

The biggest surprise, for me, about Charles Murray's *What It Means to Be a Libertarian* is how elegantly it is written. Consider for a moment its first paragraph:

Public celebrations of freedom used to be at the heart of America's pride in itself. When we bragged about being American (and how we used to brag), it was freedom we talked about, endlessly. We loved our liberty — the God-given, inalienable, constitutionally guaranteed right of every American to live his life as he saw fit, beholden to no one, taking his own chances, pursuing happiness in his own way, doing as he damn well pleased (3).

I'd always thought of Murray as a public-policy guy whose prose style was competent but, well, prosaic. But

time and time again, while reading *What It Means to Be a Libertarian*, I found myself marking passages not because I found them particularly profound or startling or because I agreed or disagreed with them, but simply because I thought they were eloquent.

Like Boaz's *Libertarianism*, Murray's *What It Means to Be a Libertarian* is intended as an introduction to libertarian thinking for the general reader. But the two works are very different. Boaz's book is much longer, far more comprehensive and more grand in its ambition. Murray's is more focused

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*Only three pages after identifying the non-aggression principle as "the first libertarian principle of governance," Murray is ready to have government provide public goods by using its police power.*

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and more personal, less a treatise than an extended essay.

Most importantly, Boaz and Murray disagree about a great deal, even about what libertarianism is. In contrast to Boaz's view of libertarianism as a set of implications of natural rights theory, Charles Murray sees libertarianism as something broader, fuzzier, and more important:

Libertarianism is a vision of how people should be able to live their lives — as individuals, striving to realize the best they have within them; together, cooperating for the common good without compulsion. It is a vision of how people may endow their lives with meaning — living according to their deepest beliefs and taking responsibility for the consequences of their actions.

We may honor that vision in the way we act in our own lives, whatever the political system may be. Human freedom has always had to depend first on the individual's understanding that he is the custodian of his life, no matter who tries to say otherwise (170).

For Murray, the libertarian ethic springs from two beliefs: "force is bad,

and cooperation is good" (5). These beliefs, which he observes are common to most people, lead Murray to social principles virtually identical to Boaz's: "Each person owns himself" and "[i]n a free society individuals may not initiate the use of force against any other individual or group" (6). But self-ownership and its consequence, the prohibition of initiated force, have a very different status for Murray. While the "first legitimate use of the police power is to restrain people from injuring one another" (7), the second is "to enable people to enter into enforceable voluntary agreements" (9), and the third is to "enforce compliance . . . with the relevant laws . . . to foster public goods" (9–10).

What's going on here? Only three pages after identifying the non-aggression principle as "the first libertarian principle of governance," Murray is ready to have government provide public goods by using its police power — if this isn't an initiation of force, then what is?

I suppose I could censure Murray for promulgating a transparent contradiction. But I don't think that's what's happening. I believe that for Murray, the non-aggression principle is a rule of thumb, subject to other considerations, not the universal moral imperative that it is to those in the Randian-Rothbardian tradition.

Murray recognizes that for many libertarians, there is no such thing as a public good, and that provision of public goods has provided a rationale for outrageous government actions. Although he has "no magic formula" for determining what is and what is not a public good, he offers some fairly detailed guidelines. A public good must be provided to all citizens equally, it must be usable "by one person without diminishing its availability to others," it must be "something that cannot be provided by individuals on their own," it must "enjoy popular support," and its cost must be borne as equally as possible by all citizens (11–15).

Murray recognizes that "reasonable people will disagree about the exact boundary of public goods, even when a rigorous definition of public good limits the range of possibilities" (16). He claims that law enforcement is "unambiguously" a public good, a point that I



fail to see. I invite Murray, or anyone else who believes that law enforcement is provided equally to all citizens, to compare the energy a police force puts into finding a person who has killed a police officer to the effort it makes finding the killer of a street prostitute. I myself once owned a business that was burgled of \$1,000. The police responded several days later by sending an officer to fill out a form, at a total cost to the taxpayer of perhaps \$25. A few days later, the business next door, a bank, was burgled of about \$50, to which the police responded by blocking all pedestrian traffic on the block and calling in the FBI for a thorough investigation, at a cost to taxpayers of tens of thousands of dollars.

Murray also argues that education is a public good that ought to be provided by the state:

[A] democracy cannot function without an educated electorate. The cost of providing an educated electorate should be spread over all those who benefit, which means virtually everyone who lives in a democracy. (12)

Huh? By this logic, just about everything is a public good. A democracy cannot function without food for its citizens to eat; the cost of feeding people should be spread over all who benefit, which means virtually everyone who

vided "without diminishing its availability to others"; every dollar spent educating my child is a dollar not spent educating yours. Whether it provides "something that cannot be provided by individuals on their own"—Murray's third criterion—is debatable, to say the least. It is only the fourth criterion—enjoyment of "public support"—that government education unambiguously meets.

But here I am quibbling. There are a great many characteristics of *What It Means to Be a Libertarian* that make it thought-provoking and pleasurable. Unlike most libertarians, Murray appreciates the relationship between liberty and community, family, friendship and cooperation. Too often, libertarian thinking seems focused on *homo economicus* or on sterile philosophical proofs.

Over half his book is devoted to explaining how a libertarian society would function. Here he spells out a libertarian political program in considerable detail, presenting non-libertarians with a convincing case for radically decreasing the power of government. And make no mistake about it: Murray's willingness to admit the existence of public goods does not lead him very far from a radical libertarian agenda. He makes a powerful case for a constitutional amendment prohibiting the federal government from any intervention in the economy except in cases of force and fraud. He proposes to eliminate all anti-discrimination laws except those that bind government itself, end Medicaid and Medicare, deregulate health care at all levels of government, abolish all laws regarding alcohol, drugs, prostitution, gambling and pornography, get rid of all environmental laws except those enforcing "minimum standards for air and water quality" (114), and get rid of all income transfers and government social-service programs. About the only elements in his program that might offend the most radical libertarian are school vouchers, national defense, law enforcement, and regulation of natural monopolies.

His case for this radical agenda is made quietly, reasonably, and convincingly. He presents his arguments eloquently, summarizing and discussing objections that most people might make. This is a terrific book to give to a

friend who doubts your goofy libertarian ideas could ever work.

The final third of the book is an exploration of whether a libertarian society can ever be achieved. Murray asks, "Why bother laying out the parameters of a limited government that is so politically unrealistic?" (143) Here Murray goes where many libertarians fear to tread, because honest forays into the subject often lead to discouragement and disengagement. Thus the

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*Boaz and Murray each provide a sparkling statement of quite different versions of libertarian theory, nicely illustrating the conflicts within libertarianism today.*

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Libertarian Party always finds ways to report progress, despite the fact that after a quarter century, its presidential candidate can barely muster the votes of one American in 200.

The typical libertarian optimist very selectively reports poll data and demographic trends, while overlooking such trivialities as, for example, the fact that 57% of Americans identify "improving public education" as the top priority for Congress. Murray will have none of that. He acknowledges that "[l]ooking where we are, pessimism is realistic" (143). But there are reasons to believe that "large changes [can] become possible" (157). The first two reasons are familiar to most libertarians: "American government is no longer 'us' but 'them'" (144), and Americans are beginning "to identify areas of life in which they are willing to give up government benefits in return for being left alone" (149).

The next is novel: As "elites experience freedom in their own lives and see it denied to others, large changes become possible" (157). Murray argues that the two new elites in America—affluent baby boomers and young techno-fluent post-boomers—have isolated themselves from the failure of government. They once believed that government was making things better for the poor, but they can see that this has not worked:

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*Left-brained libertarians celebrate their social isolation and see social atomism, not as a mere epistemological construct to enable us to understand how society functions, but as a metaphysical condition.*

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lives in a democracy. A democracy cannot function without . . . you get the picture.

What about the criteria Murray had just posited for determining whether something is a public good? Public education fails the first test: it cannot be provided to everyone equally, though Murray tries to fudge by claiming its benefits, in the form of a more competent electorate, are distributed equally. It fails the second test: it cannot be pro-

The American class system is looking more and more like an aristocratic hierarchy in which the privileged enjoy one relationship with government while the peasants must endure another, and many of the privileged know it. As this recognition spreads, there is reason to hope that many of the successful baby boomers can be made to feel embarrassment — perhaps even shame — and to modify their policy

views...

For several decades the received wisdom among America's elites has been that we live in a complicated world, the Constitution is a living document that must be adapted to the times, and America's traditional ideas about individualism and freedom are outmoded. But the people who have recently come to dominance and those who will come to dominance in the new century are

increasingly aware — or can be made aware — that freedom still works in their own lives and that they effectively exempt themselves from most of the laws that take freedom away from other people. As this awareness spreads, there is an opening for a simple message: Freedom works. You know that from your own life. Give it a chance to work for everyone else as well (159–162).

His final reason for believing major changes may be in the offing is that Americans are wresting control of the "stuff of life" from government. By this he means "the responsibility for feeding the hungry, succoring the sick, comforting the sad, nurturing the children, tending the elderly, and chastising the sinners" (163). Americans turned all this over to the government during the past half century, and the results are not pretty. Not only has the government pretty well botched the job, but this transfer of responsibility has undermined our communities, our neighborhoods, and our families. Americans are realizing what a horrible mistake they made; we see evidence of this in the ascendancy of family values as a political shibboleth. As Americans recapture these responsibilities, as we take the stuff of life back into our own hands, we will realize that government ought not be the behemoth that it is today.

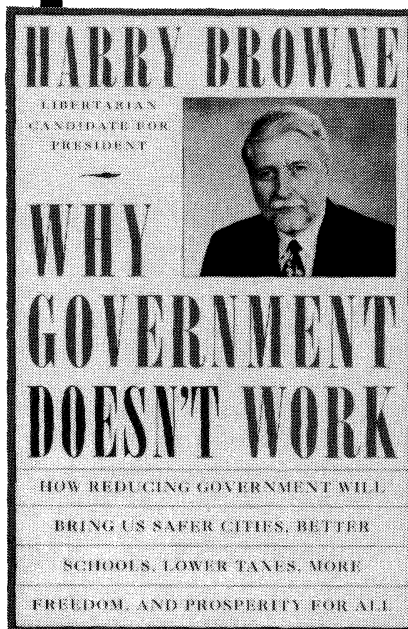
This is interesting and thought provoking, especially for left-brained libertarians who celebrate their social isolation and see social atomism, not as a mere epistemological construct to enable us to understand how society functions, but as a metaphysical condition.

### For Libertarians and Regular People

Until I read David Boaz's *Libertarianism: A Primer* and Charles Murray's *What It Means To Be a Libertarian*, I don't believe I had ever encountered two books published simultaneously on the same subject that recommended each other. I don't know quite what to make of this, except to observe that the libertarian movement is still a pretty small arena, one where, apparently, everyone reads everybody else's books while still in manuscript.

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*It Means To Be a Libertarian* reach the audience that they merit, the day when libertarianism is back in the mainstream of the American culture will be much closer. Boaz's book will likely appeal more to the young and the techno-elite who like their thinking neat and tidy, while Murray's will appeal more to those more experience-oriented and less philosophically rigorous.

I halfway wish there were some

way their respective appeals could be reversed: the young and techno-elite might benefit more from Murray's more contemplative cast of mind, and the right-brained might benefit more from the vigorous system-building of Boaz. But one thing is certain: both books can be read with great profit by libertarians, despite the fact that they are ostensibly aimed at non-libertarian audiences. □

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***Sexual Correctness: The Gender-Feminist Attack on Women*, by Wendy McElroy. McFarland & Company, 1996, 190 pp., \$28.50.**

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## Truth and "Sexual Correctness"

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Ginny NiCarthy

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1973: Two teenage girls are raped. The police detective berates them at length: "If you hadn't cut school, this never would have happened." Only at my urging does she agree to take a statement detailing the crime.

A woman named Pam, worried about her friend Christine's safety, walks Christine to her apartment. Then, after leaving Christine at her door, Pam starts toward home. A man pushes her down and rapes her. The next day Pam says to me, "It's my own fault. I shouldn't have been in that neighborhood late at night."

At the time, I was an administrator at one of the first rape crisis centers. In those days, police typically blamed women who "got themselves raped." Victims believed they had brought the assault on themselves. They had been in the wrong place, or stayed too late, or been with the wrong man — or dared to go out unprotected by a man at all.

Then feminism happened. Thanks to the work of rape crisis centers, the

emotional toll of sexual assault was made tolerable for many women. Wendy McElroy was one of them. In *Sexual Correctness: The Gender-Feminist Attack on Women*, she describes the personal impact of changes in attitudes toward rape that resulted from "the groundwork laid by feminism."

I had a right to be angry, not only at the man who raped me, but also at the laws and cultural attitudes that sheltered him and not me. From feminism I learned an irreplaceable and healing lesson: it was not my fault. (p. 22)

1996: A woman can't recall what happened after a couple of drinks with a strange man, though she apparently realizes they had sex. She writes Ann Landers to ask whether that was rape. Landers' answer is "Yes." Yes, even though the woman cannot recall what occurred.

McElroy doesn't try to explain how we moved from one form of damaging nonsense to the other. But she does recognize the change, arguing that the women's movement has come to embrace "sexual correctness," an ideol-

ogy that has had a deleterious effect on attitudes toward sexuality, work, abuse, and discrimination. Advocates of "gender feminism" have been present from the beginning of the movement. Now, McElroy believes, they threaten the very freedoms they claim to protect.

Gender feminists, McElroy says, view men and women as "separate and antagonistic classes" and claim that men oppress women "through the twin evils of the patriarchal state and the free-market system." Their goal is "gender (class) justice for women" (1), not equality. They have changed the definitions of rape, sexual harassment, and other offenses against women.

McElroy's alternative is individualist feminism, "an ideology based on the principle 'a woman's body, a woman's right.' [Individualist feminism] makes no distinction between civil and economic liberty. Both are matters of contract and consent. Government — the institutionalization of force — is seen as the greatest threat to women's freedom" (1). "Self-ownership," McElroy says, "is the defining term of individualist feminism" (16).

One could, of course, quarrel with this categorization. Like ensembles displayed on a store mannequin, McElroy's categories look a lot neater on the ideological hanger than on us when we try them on. But to assess McElroy's arguments, it isn't necessary to find an ideological fit, or to be a feminist at all.

*Sexual Correctness* contrasts gender feminist and individualist feminist approaches to pornography, sexual harassment, marriage and the family, prostitution, and reproductive technology. Each of those topics is related in obvious ways to sexuality. Child sexual molestation and questions about the validity of repressed memory are allotted only one page — a puzzling decision, given the volatile controversy surrounding those issues. The chapters on affirmative action and comparable worth have little to do with sexuality, but were apparently included because of their association with "correctness."

"Correctness" is not a word I generally find useful for explaining complex concepts, and I anticipated with curiosity McElroy's definition of it. But I could find no definition. The closest the

author comes is:

Sexual correctness is an all-embracing theory dictating how husbands should treat wives, what comments strangers on the street may make to women passing by, how much employers should pay female workers, what subjects coworkers may discuss, and how women may use their own bodies (e.g., not posing for pornographic pictures).

... sexual correctness has redefined, collectivized, and politicized the crime of rape. ... It is a political act that men, as a class, commit against women, as a class ... (6-7)

McElroy's substitution of polemic for definition was disappointing, but I remained optimistic that she would fully explore libertarian perspectives on feminism and enrich my understanding of the women's movement — including the extremist, wrong-headed, gender-feminist wing. I agreed with McElroy's opposition to Andrea Dworkin's notion that patriarchy turns men "into rapists by definition and women into victims by definition" (8). And I welcomed her defense of the rights of sex workers to do their jobs without government interference, and her ire at gender feminists' "righteous persecution of 'bad' sexual attitudes" (7).

It was refreshing to find a writer who recognizes how invaluable feminism is to rape victims *and* that gender feminists have gone off the rails in alleging that rape is the norm. At last, I thought: here is a voice of reason.

Unfortunately, McElroy frequently fails to support her positions adequately. To her credit, she avoids what must have been a temptation: to focus, like most critics of feminism, on gender feminists' most outrageous acts. McElroy has tried to do something more, to describe fundamental differences among feminists. But too often she fails to follow through on a promising idea.

## Adversaries and Authorities

Gender feminism represents neither a movement nor an organization, and McElroy frames her counterattack largely in terms of the ideology of its most radical exponents. Their rhetoric is typically excessive enough to quicken the heart of any anti-feminist. Dworkin and Catharine MacKinnon, for instance, spew forth extravagant

judgments about the men they love to hate. Their outlandish claims, easy targets for McElroy, also offer snappy print-bites for popular media, which easily confuse their opinions with those of the entire feminist movement. And McElroy has done her readers a service by (usually) making clear that individualist feminists, among others, disagree with them.

MacKinnon, for example, says, "Politically, I call it rape whenever a

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*It was refreshing to find a writer who recognizes how invaluable feminism is to rape victims and that gender feminists have gone off the rails in alleging that rape is the norm.*

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woman has sex and *feels* violated" (22, McElroy's emphasis). Dworkin blames males-as-a-class for violating women:

The common erotic project of destroying women makes it possible for men to unite into a brotherhood ... and all male bonding is based on it. (40)

Not only individualist feminists, but liberals and others, deem that type of statement nonsense, and such quotes help McElroy's case. It is therefore ironic that McElroy appears to ally herself with Camille Paglia, whose rhetoric often resembles that of McElroy's gender-feminist adversaries:

Nature gives males infusions of hormones for dominance in order to hurl them against the paralyzing mystery of woman ... <sup>1</sup>

Paglia also refers to sperm as "miniature assault troops,"<sup>2</sup> a comment more graphic and amusing than the Victorian belief that "men only want one thing," but barely distinguishable from it — or from Dworkin's remarks. Admittedly, McElroy quotes only Paglia's relatively moderate homilies. But the fact remains: though polarized on questions of "correctness," Paglia, Dworkin, and MacKinnon agree about the essentially predatory nature of men.

Paglia aside, McElroy relegates other feminists to a few walk-on parts, generally portraying the feminist movement as if it were composed only of

gender feminists such as MacKinnon and Dworkin on one side, and individualists such as herself on the other. I suppose this is appropriate for a book subtitled *The Gender-Feminist Attack on Women*. Nevertheless, it carries the hazard of a simplistic presentation. It is easy to write off the most extreme gender feminist ideas, whereas more defensible, moderate, and complex liberal feminist views get a hearing only when they serve McElroy's purposes. For instance, she favorably contrasts liberal feminists' defense of free speech with gender feminists' call for censorship, and liberals' campaign for reforms within the system with gender feminists' revolutionary agenda. But in other contexts, she tends to dismiss liberal feminists as merely advocating a less extreme version of the gender feminist agenda — a plausible view, but one that she does not really defend.

For example, McElroy argues that a surrogate mother's agreement to carry a fetus is no different from any other contract. But one needn't favor abrogating surrogate mothers' rights to recognize that their contracts are of a different order than others in their effect on third parties, i.e., the children born of them. Here, as elsewhere, McElroy's focus on the extreme allows her to avoid confronting liberal feminists' more complex views. But this narrow focus comes at the expense of historical and social contexts.

## Rape in Context

McElroy disputes the three major claims Susan Brownmiller makes in *Against Our Will*: that rape is part of patriarchy, that men have created a mass psychology of rape, and that rape is a part of normal life. She rightly criticizes Brownmiller's exaggerated allegation that all rape "is nothing more or less than a conscious process of intimidation by which *all* men keep *all* women in a state of fear" (25, Brownmiller's emphasis). But McElroy seems to believe that because Brownmiller overstates her case, it follows that rape bears no relationship at all to gender.

It is now common knowledge that boys as well as girls are subjected to sexual assault, that some men and women rape same-sex partners, and that men are raped in various situations, notably imprisonment. Neve-

rtheless, most rapists are men; most victims, women or children. This doesn't mean that men are monsters or that all men rape. What it ought to suggest is that gender may be one important component of sexual assault, and that male and female acculturation may affect the different sexes' attitudes toward violence.

McElroy chooses Brownmiller's 1975 book as representative of the men-as-a-class-are-the-enemy-of-women-as-a-class perspective. She refers to Brownmiller's idea that "[e]ven seemingly innocent men are guilty because they benefit from the 'rape culture,'" a reasonably accurate summary. However, "rape culture" is not a phrase Brownmiller used, and it is disappointing that McElroy doesn't discuss the currently prevalent, often more moderate descendants of Brownmiller's ideas.

Consider the 1993 anthology, *Transforming a Rape Culture*.<sup>3</sup> This book's contributors make the case that media frequently conflate sex with violence; that in certain male institutions, such as fraternities, rape is often treated as a joke; and that rape and the fear of it negatively affect women's (and men's) lives. They provide evidence that rape is not *solely* an individual crime. That is, institutional practices affect attitudes

educators, and politicians both reflect and reinforce institutional attitudes, policies, and practices.

*Sexual Correctness* provides little historical background for the anti-violence movement, thereby missing an opportunity to expand readers' understanding of (for example) the social context of rape. The early '70s brought a flood of new insights into the depths of sexism and the pervasiveness of violence against women, especially sexual violence. It is difficult now to recapture the spirit of those times. Rape was still only a whispered word. Most women who had been subjected to it held their tongues. At that time I directed a rape crisis center, and after nearly every talk I gave about rape, a woman would tell me she had "never told a single soul" what had been done to her twelve or 20 or even 40 years earlier. Shame had overwhelmed her. She had always felt that it was her fault; that somehow she had asked for it, had deserved it.

It is precisely that shame and self-blame that McElroy credits feminism with mitigating — a change that took place when feminists recognized that it is rapists who are at fault, not their victims. Women, we realized, had been blamed for being raped, because of the widespread belief that women must be held accountable for male sexuality. Those are ideas about the "class" of women and the "class" of men. They are political ideas. Rape is a crime committed by one individual against another, but it occurs often enough to present social problems, which can be partly addressed by a collective response. Sometimes, the most effective action is political action.

### **Women's Fear of Men: Not a New Phenomenon**

It is hard to say which, if any, of McElroy's claims are valid, since she frequently relies on insinuation to make her point, rather than stating precisely what she means. She implies that women's fear of men is unjustified, is new, and is largely an irresponsible invention of gender feminists. But — to take up just one of her misperceptions — women's fear of men is not new, and McElroy offers no evidence that it is more prevalent now than in the past.

Women have always feared men. Why else would our mothers have

admonished us not to speak to "strange men"? When they told us to be home before dark, it was not women they were cautioning us about. Growing up in the '30s, '40s, '50s, and earlier, girls and women assumed that men were dangerous. Older sisters told us "they only want one thing." Fathers and brothers warned us about them, saying they knew what boys and men were like. The nuns who taught me in high school insisted that it was girls' and women's job to prevent sexual contact, since men could not control themselves. The idea of men as predators was so thoroughly embedded in all our

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*McElroy devotes an entire chapter to reporting the results of her own study, which errs in precisely the ways she attributes to gender feminist research.*

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institutions that many people were not — and are not now — consciously aware of it. A woman's seemingly unwarranted anxiety or caution often stands for fear of rape.

Toward the end of her chapter on rape, McElroy momentarily sounds like a gender feminist herself: "[t]here is no safety for women on the streets, on the campus, or in their own homes. Violence has become so epidemic that the world seems to be going slowly crazy, and no one can rely on other people for protection" (35). Her solution: encourage women to use guns for individual self-protection. McElroy doesn't tell us who she thinks are the major perpetrators of the "epidemic." For many years, criminologists' statistics have indicated that the vast majority of crimes are committed by males (against other males). Perhaps it is time for us to take a serious look at how society "institutionalizes" all of our social attitudes toward maleness and femaleness, and their relationships to violence, power, and weakness.

### **The Pot and the Kettle**

McElroy disdains gender feminists' rejection of scientific method and their preference for emphasizing "the impor-

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*It is difficult now to recapture the spirit of those times. Rape was still only a whispered word. Most women who had been subjected to it held their tongues.*

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toward rape, and those attitudes, in turn, affect institutional policies. Since some of the contributors are undoubtedly gender feminists, it would have been useful to read McElroy's specific counterarguments to both the extreme and moderate positions presented in the book. But she did not choose to address such specifics.

McElroy also mocks the notion of "institutionalized" oppression or discrimination. She is apparently unwilling to accept that ideas emanating from religious authorities, psychologists,

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tance of women's personal experiences." That approach, she says, has "a myriad of problems," beginning with a lack of objectivity. Gender feminists "interview and credit only those women who have been victimized and who consider themselves to be oppressed by men" (10). I expected that allegation to be followed by examples of the research McElroy objects to, but not a single one appears in the section of the book entitled "Methodology."

McElroy criticizes gender feminist research for being biased, inaccurate, and inept. But her method of discussing that research, and of presenting her own study results, demonstrates her own bias, inaccuracy, and ineptness. This is particularly evident in her criticism of research on sexual harassment. "[C]onducted by those with an ideological bent," these studies are biased in themselves, McElroy says; and "the media's natural tendency toward sensationalism" (56) further biases public impressions of their significance. In a presumed effort to support that statement, McElroy offers three examples. The first is mentioned only briefly, as a study too small to matter. The second example is an article in *Seventeen* magazine, which included a reader survey and what McElroy dismisses as an "emotion-laden story of a woman's ordeal in the face of harassment."

The story is about Katy, a high school sophomore whose name was splattered across the walls of a toilet stall in the boys' bathroom: "Katy — sucked my dog's d. . .," "Katy — is a slut," and other such literary gems. (Ellipses in *Seventeen* were presumably not part of the graffiti. The omission of her last name is mine.) For two years, other forms of harassment followed Katy home and onto the school bus. <sup>4</sup>

One of the magazine's survey questions, she says, "was whether anyone had forced any of the following behaviors upon the student in the last school year: any sexual contact, such as a touch, pinch, or grab; any leaning over or 'cornering' . . ." Readers are left to guess whether the quotation marks around "cornering" imply that it is a meaningless concept or a trivial event. Anyone who has been cornered, especially by one or more hostile people, taller and more muscled, knows the experience is not trivial. McElroy's



emphasis on the word "forced" calls our attention to it, but she offers no explanation for it. Nor does she tell readers that neither the quotation marks nor italics are part of the original questionnaire. In fact, the word "forced" is McElroy's addition, and does not appear in the survey questions at all. Rather, the magazine asks whether anyone did these things "when you didn't want them to."

McElroy criticizes the *Seventeen* survey on the basis that the responses comprised only 1.2% of the magazine's estimated number of subscribers. But that indictment comes to us second-hand, from Christina Hoff Sommers' *Who Stole Feminism*. McElroy herself does not cite that issue of *Seventeen*. The issue she does mention includes the questionnaire, not a report on responses — and without the omitted reference, an ordinary reader cannot even check what the *Seventeen* sample really represents.

In any case, the *Seventeen* article ought to be evaluated on its own terms: as popular journalism encouraging teenage girls to recognize harassment, confront it directly, report it if that doesn't work, and support those who are victimized.<sup>5</sup> Ironically, those goals seem thoroughly compatible with individualist feminism.

Although McElroy disposes of the *Seventeen* study on the basis that its sample is too small and select to generalize, she also dismisses a 1981 survey of 20,000 federal employees, in which a whopping 84% of questionnaires were returned (a fact she fails to mention). The study and its 1988 update total well over 100 pages of detailed tables, text, statistical breakdowns, and appendices. In a five-sentence critical summary, McElroy tries to jettison its significance, but only distorts the facts.

McElroy: the subjects are "20,000 women"; "42 percent of the women had experienced sexual harassment" (56). Reality: the study surveyed *men and women*. It reported that some men had been sexually harassed by women, and that some women and men had been harassed by people of the same gender. Total: 42% of respondents say they have been harassed.<sup>6</sup>

McElroy: "the definition of sexual harassment was 'unwanted sexual attention'" (56). Reality: the reports

# Brush

by Joanne Lowery

On the beach behind a cheap motel in Florida  
a lanky fifteen-year-old decided to test the waters.  
This was years ago, on the Atlantic side,

and no one else enjoyed the sand, no lifeguard  
kept watch over nothing. The boy  
took a stroll straight out to see how far  
he could keep going, feet bobbing to the bottom.  
Most of us have done the same,

though most of us would not have walked  
so far from shore, arms cresting the waves,  
our soft hair thrown back and floating.

When the reef dropped off  
when his long legs dangled  
and the cross-tide took him a foot or two  
on its way to England, the young swimmer  
was not really surprised.

It was as logical for him to be swept away  
as anyone else. If only he had stayed  
back home in the middle of the USA  
where blue meant delphiniums  
and water was only rain.

He had not yet touched a girl  
and already he was in over his head,  
most of life's books unread, places unseen,  
the terrible negative undone all around  
perversely carrying him out

into the current of possibility  
that finally let him stroke, lungs brimming,  
back where once he came from —  
the sand felt just the same to all ten toes,  
the vacancy sign rose above the tile roof  
of the room his family was renting,  
the room where he returned  
and dried off without word of his escape.

The next day they left and drove part of the way  
to the rest of his life. Everything all around  
was edged with a sharp black line.  
When years later he told the story  
to answer a question about fear

he talked about the expanse of ripples,  
salt burning his throat,  
how impossible that he could have ended there.

break down responses into seven specific categories of "unwanted attention," in ascending order of severity. (One of those categories consists of rape and attempted rape, reported by 1% of respondents in 1981, 2% in 1988.) As with the *Seventeen* article, McElroy misrepresents the federal study as lumping together merely unpleasant acts and truly threatening ones.

Two of McElroy's five sentences on the federal study are introductory. The next three offer a mix of minor errors (which I shall not detail here, in the interests of space) plus a fundamental misrepresentation of the entire work. Thus, McElroy insinuates that the federal study, like the *Seventeen* survey, is

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*Prostitutes need allies who see the totality of their lives, sans rose-colored glasses.*

---

typical of gender feminist "SLOPs" (self-selected listener opinion polls), as she calls them. But the commentary in the federal report clearly states that harassment is not peculiar to men, and that women are not the only ones victimized — contradicting McElroy's claim that the study was performed by "sexually correct" gender feminists, who assert that men, and only men, commit sexual harassment and rape.

In sum, contrary to McElroy, the *Seventeen* article is appropriate to its venue, the federal surveys and reporting are scientifically sound, and neither report is a "gender feminist" study.

This need not have been. If McElroy had seriously wanted to dispute the incidence of sexual harassment in the private sector, she might have discussed the many readily available surveys of women in trades, hospital workers, etc., or the many incidents women private-sector workers have brought to court.

### Surveying "Sex Workers"

McElroy alleges that gender feminists have published "the statements of organizations such as WHISPER — Women Hurt in Systems of Prostitution Engaged in Revolt . . . while ignoring the voice of prostitute [sic] groups like COYOTE [Call Off Your Old Tired

Ethics]" (126). But she does not provide evidence for this claim, and I am reluctant to accept it because her other assertions are so loaded with errors. But even if one accepts this assertion as fact, the remainder of her discussion of sex workers is problematic: McElroy devotes an entire chapter to reporting the results of her own study, which errs in precisely the ways she attributes to gender feminist research.

Her own survey pulls from a sample on the opposite side of the political continuum from WHISPER. To her credit, McElroy admits the limitations of her biased self-selecting sample. But simply acknowledging that drawback hardly seems sufficient. Her study, like the WHISPER survey, was informal and did not use a random sample — the second caveat she offers. For all we know, the WHISPER surveyors may have made similar admissions.

McElroy distributed "about two hundred" (135) surveys through COYOTE. The results might have anecdotal value, just as have some results of similar surveys by gender feminists. At least they might if we knew whether they came from prostitutes working for madams, or from strippers, or from call girls, or . . . But McElroy refers to them only as "sex workers." She quotes, appropriately enough, some women's answers to particular questions. But soon she moves beyond the anecdotal to the sort of analysis appropriate for a quantitative survey. Without even giving the precise number of responses — "several dozen surveys were returned" (136) — she tells us 95% said this, 88% that. It is not clear what McElroy means when she says that "not a single woman [in her survey] came from the streets" (139). But if her subjects included only call girls or others working independently of pimps, more or less safely off the streets, they are hardly representative of prostitutes in general.

I had already begun to lose confidence in McElroy's reliability when I reached her reference to "Jennifer James's acclaimed study (1976) of New York prostitutes" (127). Actually, the survey was of prostitutes in Seattle, Washington, and in other western states — a minor discrepancy, but more evidence that McElroy is sloppy with her facts. McElroy says James listed prostitutes' motives for their work as "a

desire for independence, a sense of adventure, and the lure of the madonna-whore myth" (127), and cites the James study as further evidence for her general belief that a "prostitute trades her sexual services like a secretary trades her typing services" (128).

In fact, Jennifer James conducted four studies, which varyingly included male and female adolescent prostitutes, adult female prostitutes, drug-addicted prostitutes and non-drug-addicted prostitutes. The average age of the adult prostitutes was 19 and a half. Ten years later, James revisited a hundred of her female subjects and found a very high incidence of drug addiction, children's lives in disarray, and a significantly high death rate compared to what might be expected of other 29-year-old women. She describes their

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*A woman has a right to be a prostitute. Of course. But that shouldn't prevent us from recognizing the life as frequently hard, humiliating, and dangerous.*

---

lives as "devastated." <sup>7</sup> So much for adventure, independence, and all that. McElroy chooses not to mention those findings, which would certainly erode her claim that prostitution is a job like any other. Nor does she include data from any recent studies of prostitutes (other than her own).

A woman has a right to be a prostitute. Of course. But that shouldn't prevent us from recognizing the life as frequently hard, humiliating, and dangerous, as requiring involvement with violent or sleazy people. Among other hazards McElroy chooses not to mention, AIDS looms large. Prostitutes need allies who see the totality of their lives, sans rose-colored glasses.

### Justice: Ends-Oriented?

McElroy objects to gender feminists' view that justice is ends-oriented. She says their ideology is designed to protect women as a class, but that in reality it furthers paternalism and discourages self-ownership and choice, which flourish in a free market. McElroy's own

brand of libertarianism eschews the "ends-oriented" perspective of gender feminists. Yet she compromises this position by discoursing on the alleged social consequences of the ideological policies she discusses. And she strenuously downplays the social consequences — the elsewhere disdained "ends" — of what her adversaries deplore: rape, sexual harassment, discrimination at work, pornography, prostitution.

Her information about the impact of those activities is frequently inaccurate, and her interpretations arguable at best. They certainly contradict my experience interviewing prostitutes, women who have been battered, rape victims, and women subjected to harassment at work. But suppose that she's right and I'm wrong — suppose that pornography and prostitution don't harm women. That leaves open the question: What if they *did* harm women? Would McElroy then favor government intervention? If there are circumstances that would cause her to compromise her individualist position, we need to know how she would recognize those conditions and evaluate them. And if nothing would warrant a modification of her principles, why devote so much space to discrediting gender feminists' claims of harm?

Throughout *Sexual Correctness*, McElroy exhibits a tendency to dichotomize: if *this* individual act is present, it precludes *that* social or political response. If gender feminists exaggerate a problem, then there must not be one at all. If individual confrontation is called for, then collective social action must be wrong. But one needn't be a liberal to perceive that "either-or" is not the only choice, and that a "both-and" approach to problems often makes sense. One attempt at a solution may follow another, or two approaches to a problem may be tried concurrently. Both the *Seventeen* article and the federal study, for instance, recommend direct, immediate confrontation as the first choice in dealing with sexual harassment — to be followed, if necessary, by attempts to gain institutional responses.

Gender feminist ideas are flawed enough that McElroy needn't rely on false representations of research to vilify them. She charges others with simplistic thinking, but the reader must

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Nathan Crow is the associate editor of *Liberty*.

Sir Roger Douglas was Minister of Finance in New Zealand from 1984 until 1988. His article was originally presented to a meeting of the Mont Pelerin Society in Christchurch, New Zealand, 1989, and was published previously in his book, *Unfinished Business*. Reprinted with permission.

Robert Higgs is the author of *Crisis and Leviathan* and the editor of the *Independent Review*.

Kenneth Lee is a writer whose work has been published in the *New Republic*, the *American Enterprise*, and the *Orange County Register*.

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Wendy McElroy is the author of *XXX: A Woman's Right to Pornography and Sexual Correctness*.

Robert H. Nelson is the author of *Reaching for Heaven on Earth: The Theological Meaning of Economics*, and several other books.

Ginny NiCarthy is the author/co-author of several books, including *Getting Free* and *The Ones Who Got Away*.

Thomas S. Szasz is the author of *Our Right to Drugs*, *The Meaning of Mind* and many other books.

Jesse Walker is a journalist living in Seattle. He is writing a book on micro-radio and pirate radio.

contend with McElroy's own narrow, dichotomized thought, and her denial of the influence of social institutions.

McElroy plans a series of books on the topics briefly dealt with in this volume. I hope that her future efforts will present her case for individualist feminism more fairly and fully than she has done here. She would do well to flesh out her analyses with more historical and social context and with explana-

tions of other feminists' varied views.

Despite its considerable shortcomings, *Sexual Correctness* does provide some mental and political fodder to chew on. Unfortunately, too much of it takes the form of a low-cal snack, leaving us hungry for something more substantial. Furthermore, it does not provide what the package advertises: sound evidence to back up McElroy's claims. □

### Notes:

1. Camille Paglia, *Sexual Personae* (Random House, 1991), p. 24.
2. *Ibid.*
3. *Transforming a Rape Culture*. Edited by Emilie Buchwald, Pamela R. Fletcher, and Martha Roth. Milkweed Editions, 1993.
4. Adrian Nicole LeBlanc, "Harassment in the Halls," *Seventeen*, September 1992, p. 163.
5. Adrian Nicole LeBlanc, "Harassment at School: The Truth Is Out," *Seventeen*, May 1993, p. 134. The author notes that "[more] than 4,000 [girls] responded . . ." 4,000 is not nothing. Of those, 83% said they had experienced unwelcome touching, pinch-

ing, grabbing. Also not nothing. The responses: 74% told the harasser to stop, 46% walked away, 40% resisted with physical force. Only 13% did nothing. The author of the article makes no claim that her findings can be generalized.

6. U.S. Merit Systems Protection Board, *Sexual Harassment in the Federal Workplace: Is It a Problem?* (U.S. Government Printing Office, 1981); U.S. Merit Systems Protection Board, *Sexual Harassment in the Federal Workplace: An Update* (U.S. Government Printing Office, 1988).
7. Interview with Jennifer James, December 29, 1990.

# Terra Incognita

## New York

Advance in world peace, reported in *The Wall Street Journal*:

The United Nations has called upon nations to report all contact with extraterrestrials to the Secretary-General.

## Janesville, Wisc.

Further evidence on the link between professional football and domestic violence, from the *Milwaukee Journal Sentinel*:

A man has been charged with beating up his girlfriend for claiming the Green Bay Packers "sucked."

## Seattle

New trends in the fight against public-school violence, as reported by the *Seattle Post-Intelligencer*:

John Rogers Elementary has expelled ten-year-old Jeffrey Parks for bringing his toy G.I. Joe pistol to school and showing it to his classmates. The gun is one inch long.

School officials said Jeffrey had violated a school policy banning "guns of all kinds."

## Czech Republic

Financial progress in neo-capitalist Central Europe, as described by *The Free Press*:

After a branch of the large, financially troubled Czech bank Agrobanka was held up for about \$8,000, "Agrobanka head Jiri Klumpar praised the robbery as a sign of public confidence, signifying that people now believe the bank actually has money in it."

## Amerikkka

Note on human rights, from a "collective statement" by members of the Lesbian Committee to Support Women Political Prisoners and Prairie Fire Organizing Committee on "White North American Political Prisoners":

"Bill Dunne and Larry Giddings have been in prison since 1979 for participating in expropriations and the liberation of a comrade from jail."

## Cleveland

Cracking down on school choice, as reported in the *News-Herald*:

A Cleveland woman was sentenced to a week in jail for lying about where she lives so that her son might attend school in a better district.

## Auckland, New Zealand

Culinary note, from *The New Zealand Herald*:

Trendy Aucklanders are jumping on a new food fad: deep-fried Mars bars.

## U.S.A.

Anne L. Bryant, executive director of the National School Boards Association, defends a school's decision to suspend a student for possession of Midol, in *USA Today*:

"If we want drug-free schools, we cannot start arguing over which drugs 'count' and which do not. Do we really want to devote the next school board meeting to arguing over which drugs are dangerous? One person's Midol is another person's deadly allergic reaction."

## New Zealand

Television listing from *The New Zealand Herald*:

"**Human Nature** (G) Olivia Newton-John presents a wildlife documentary, featuring troubled children in New York, British hedgehogs, Scottish seals and New Zealand kiwis."

## Australia

Journalist James Whitaker proposes a chief executive for Down Under, in the *Daily Mirror*:

"When the country becomes a republic and has to choose a president, as it surely will, it need look no further than the Princess of Wales."

## Chico, Calif.

The ongoing battle between the dynamic and static visions of society, as described in *The Progressive Review*:

The director of affirmative action at Chico State University has banned the use of the word "dynamic" in college advertising because it is "eurocentric [sic], restrictive and phallogocentric."

## Singapore

The Heritage Institute's second-freest country in the world advises its subjects of new procedures for the Internet, as relayed by *Insight*:

Singaporean Internet service and content providers "will be licensed, and required to adhere to a rigid set of content guidelines which apply to political speech, ethnic and religious remarks including satire, and public morals including contents which propagate permissiveness or promiscuity."

## Washington, D.C.

Non-market pricing reveals interesting facts about government's self-evaluation, as noted in the *Milwaukee Journal Sentinel*:

While the Secretary of the Treasury receives \$148,400 a year, and the Federal Reserve chairman only \$133,600, the Federal Reserve's "support services director" pulls down \$163,000 to supervise maintenance, mail room, and other important tasks.

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

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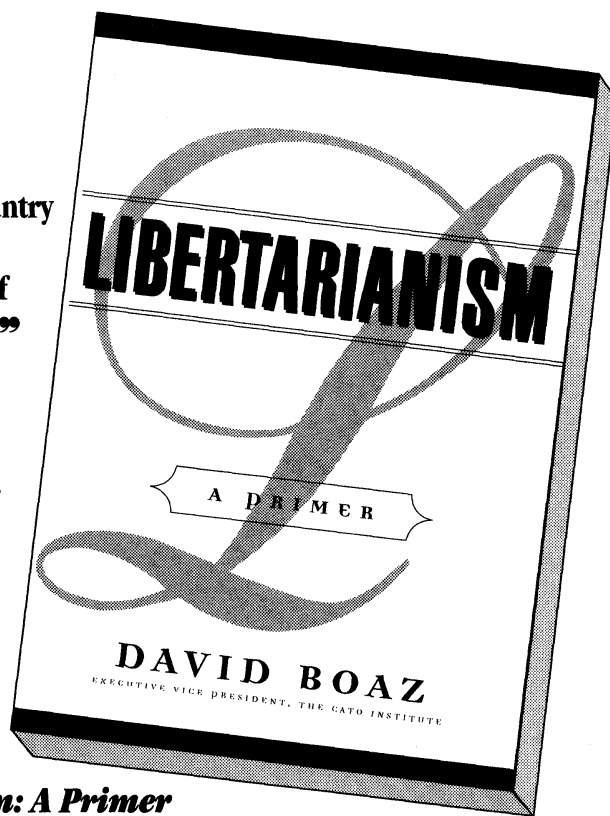
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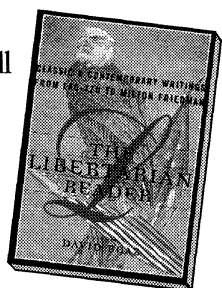


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