

# Liberty

*"Liberty is ancient; it is despotism that is new." – French proverb.*

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## We The Living

It began as an obscure, unsuccessful novel by Ayn Rand in 1936. With the aid of Benito Mussolini's son, it was made into two motion pictures in Fascist Italy in 1942. The films were major box office hits, but a few months later Nazi propaganda minister Joseph Goebbels denounced the films for being "soft on communism." Then, according to the producer, the Fascists ordered all prints and negatives of the films turned over so they could be destroyed. For many years it was believed all copies had been lost, but the producer had hidden a single copy of the negative. In 1968, after an elaborate and frustrating search, the negative was found and Rand began to edit the film for re-release. But events intervened . . . (continued on page 17)

The Search for We The Living, *by R. W. Bradford*

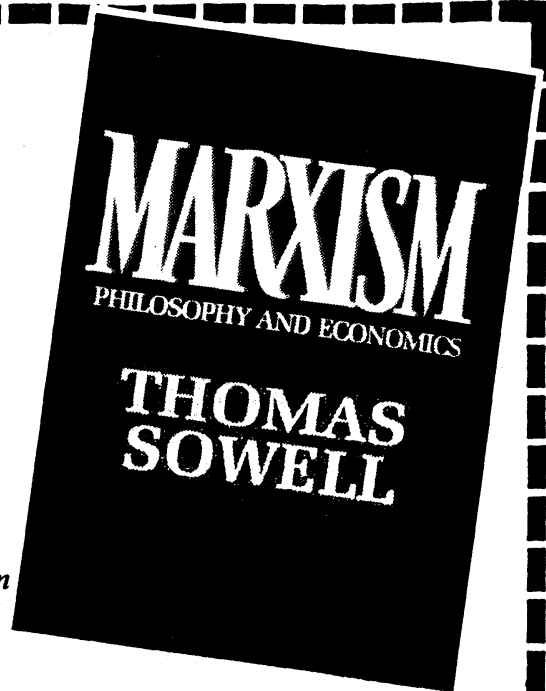
The Final Legacy of Ayn Rand, *by Stephen Cox*

— ◆ —  
Laissez Faire: The *Only* Environment Fit for Nature  
*by Jane Shaw*

— ◆ —  
Hoppe's Rights Theory: Breakthrough or Buncombe?  
Critical Remarks by *David Friedman, Murray Rothbard, Leland Yeager,*  
*David Gordon, Ethan Waters, David Ramsay Steele, Mitchell Jones,*  
*Timothy Virkkala, Douglas Rasmussen and Tibor Machan*

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# Liberty

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# Letters

## Sports: Curse or Blessing?

I read with interest "Young Money: Curse or Blessing?" by Karl Hess (Sept., 1988) mainly because I am a fifteen year old kid who enjoys making money, also.

My best job, to date, was finding the congressional districts of the signers of the petitions of Missouri Libertarian Party for Ron Paul's Ballot Access Committee. I had a hell of a good time earning the money. This, though, was not very entrepreneurial of me.

I was disturbed by Mr. Hess' contrasting of sports and economics. I play football, not because I want to win trophies, but because I have fun. While I enjoy winning, losing is not devastating, or even disturbing. I think kids can have fun earning money and participating in sports, however I think in both they can go overboard and not find any enjoyment at all.

John LaBeaume  
University City, Mo.

## Statism, not Communism

Stephen Cox's reaction to the "Threat of Communism" ("Poll Observations," July, 1988) was—interesting? It amazes me to observe the extent to which otherwise apparently rational people become entranced by this and other "bogey men"

contrived to distract and frighten the unsuspecting and gullible.

Communism has amply demonstrated itself to be a self-defeating exercise and can only be sustained by force of massive governmental oppression. It is government itself, and not only socialist or communist systems, which is the greatest threat to human liberty. Only when the voracious beast of big government is starved down to manageable size and then very tightly leashed and caged, can liberty flourish. Would that we might find a method of starving the beast to death.

Rick Tompkins  
Mesa, Ariz.

## McDuck Facts

Thanks for running the piece about Scrooge McDuck (Sept., 1988), one of our heroes, and Carl Barks, his creator. Your article didn't mention (perhaps the author didn't know about it) that the entire series of Barks' Scrooge McDuck and Donald Duck comics has been beautifully reprinted and is now available in bound book form from Another Rainbow Publishing, Inc., Box 2206, Scottsdale, AZ 85252. Another Rainbow also offers limited edition prints of Scrooge McDuck that Barks is still painting. We have a wonder-

ful one on our wall ("An embarrassment of riches") that shows Scrooge, Donald, and the nephews attempting to measure the depth of the money bin, which is piled high with jewels, silver and gold coins, a tractor for moving money around, and lots of other stuff.

Sandy Shaw  
Durk Pearson  
Los Angeles, Calif.

## Boycott Polluters!

Bravo to John Hospers ("Liberty and Ecology," Sept. 1988), for bravely confronting ecology!

I agree with Hospers, and with the ecologists, that population density is the key factor in the destruction of the life-supporting environment. Population density is also a philosophical concern, in that it threatens to undermine our closely held concepts of personal freedom. It is much easier to act freely (let's say by swinging one's arms) when one is alone in the wilderness, than when one is in a crowd of people. This seems obvious, but the logical conclusion is that liberty is relative, not absolute. Liberty is relative to the distance to the next person's nose, which is a function of population density.

Just as population density naturally creates restrictive limits on our physical behavior, it puts natural limits on our economic actions. Who is to determine the extent of these limitations? Hospers is correct in his denunciation of one world government, but he offers no alternative. I believe that the power of boycott remains to be effectively exploited. Major polluters and eco-destroyers must be economically chastised, so that it will be cheaper for them to clean up than to pollute. If the environmentalists would focus their attention on education and organizing selective boycotts, rather than trying to influence national legislation, they would be much more effective. Legislation is a totally inefficient (and dangerous) way to accomplish anything in the economic sphere, much less in the complex task of preserving the ecosystem.

Richard A. "Al" Date  
Santa Clara, Calif.

## Canines & Character

Mike Holmes' rage directed at my book *Dogs of Capitalism* (Sept., 1988) apparently caused his brain to shut down. As one example among many, consider the following: "Only a few of the voluminous footnotes contain citations, those mostly references to a handful of books on wolves, dogs and British history." In reality, there are 129 notes, of which 83 contain

## From the Publisher . . .

The release of the film *We The Living* in November is an important event for all libertarians: it is perhaps the most powerful anti-state film ever produced. It is especially important for those (like myself) who have been heavily influenced by Ayn Rand.

So we decided to publish both a review of the film and an account of the remarkable story of its production, loss and rediscovery. Steve Cox, who wrote "The Films of Ayn Rand" for *Liberty's* inaugural issue (August 1987) agreed to write the review. I first invited Erika Holzer (co-producer of the subtitled version of the film), but she had other commitments. After asking several others, I reluctantly took on the job myself.

I had no idea of what I was getting myself into: what at first seemed like a simple reporting job turned into a complicated and frustrating task, involving hours of interviews and research. The deeper I got into the story the more mysterious parts of it became. Before long, I had uncovered evidence that some of the most widely repeated "facts" about the film (e.g. that the Fascists banned the film) were almost certainly not true. The resulting story (which begins on p. 17) is far different from what I had anticipated.

This issue also features several vigorous criticisms of Hoppe's revolutionary theory of human rights, which appeared in our September issue, along with Hoppe's response. Elsewhere our editors share their advice about the coming presidential election, Jim Robbins analyzes the apparent liberalization of Soviet Russia, John Semmens argues for privatizing the roads, and Jane Shaw explains why the libertarian approach optimizes the environment.

— R. W. Bradford



# Reflections

## What the Quayle affair is really about—

Here is what the Dan Quayle and National Guard matter is not:

It is not an issue of whether serving in the Guard is less honorable or patriotic than serving in the regular army.

It is not an issue of whether entering the Guard was better than going to Canada.

It is not an issue, as Sen. Alan Simpson (R-Wyo.) suggests, of whether reporters who never wore uniforms are qualified to cover the story.

It is not even an issue of whether a rich kid exploited family connections to gain a privilege.

It is about hypocrisy. Period.

This episode is the flip side of the Carl Rowen handgun incident. Dan Quayle should embarrass conservatives for the same reason that Carl Rowen embarrasses liberals. Carl Rowen has spent his professional life damning private ownership of handguns and calling for laws to imprison any peaceful citizen found in possession of one. At the same time, Rowen kept a gun at home and used it against a backyard intruder. He said that as long as society is dangerous, he'll do what is necessary to defend his home and family. How does his position differ from the National Rifle Association's?

In Congress, Quayle voted for draft registration. As a student, he was an outspoken supporter of the Vietnam War, and presumably the concomitant military draft. But when he was about to lose his student deferment and had already passed his pre-induction physical, he entered the Indiana National Guard. There are contradictory indications about whether there was a waiting list to get in and whether strings were pulled. These are of secondary importance. What matters is that this 22 year old pro-Vietnam-War, pro-draft fellow took an action he knew would radically diminish, if not eliminate, his chances of being sent to Vietnam and would protect him from the draft entirely.

I am from the same generation as Quayle, and our generation knew that service in the National Guard was safe haven from Vietnam: No one who *wanted* to go to Vietnam would have joined the Guard. Few National Guard units were sent, and among the 58,000 Americans killed in Vietnam, fewer than 100 were Guardsmen. So, frankly, I don't know why Quayle and the Republicans feel the press is being unfair to them.

He has said that when he graduated from college what he had on his mind was law school, marriage, and starting a family. In other words, *he had better things to do than fight and maybe die in Vietnam*. Nothing wrong with that. I suspect that nearly everyone else sent to Vietnam would have said something similar—given the chance.

The Quayle problem is that while he was planning his life, he was supporting a war and a draft that denied the right of others to plan theirs. It is plain hypocrisy for a young, able-bodied guy to support a war and conscription and at the same time avoid them—with or without pull. Don't get me wrong: I'd rather have Quayle be a hypocrite than kill innocent people in a criminal, imperialistic war. But it's hypocrisy just the same.

Quayle advocated then (and continues to advocate) the establishment hokum that the war was noble and in the national security interest of the United States. But here's the question that has gone unanswered: Could the war have been fought if everyone had chosen his own priorities as Quayle did? The answer is plainly "no." This is fine with me, but presumably not with Quayle. His elitist view of the world allowed him to say, *I should be free to select my priorities, but others should not have that freedom.*

Quayle seems to think that he can put the issue to rest by vauntingly declaring his pride in having been in the Guard. That is a smoke screen sent up to save his butt and his place on the GOP ticket.

—SLR

**One nation, undeliverable** — Robert Kuttner, in a recent column, offers his view of what it is in this land that binds us citizens together, what it is that gives us that inimitable quality of being Americans. Could it be liberty? The immigrant experience? A shared national memory of the frontier or of the War Between the States? Not even close.

It's the U.S. Post Office. Yep, the good old U.S. Snail. Now Kuttner admits that in many ways the Postal Service just doesn't, er, deliver the goods. "And," he continues, "there seems to be good evidence that profit-making companies like Federal Express and United Parcel Service would do the job better. But this column is not anti-Post Office. It is emphatically pro-Post Office. The public Post Office . . . helps knit us together as a society. We need it."

Having admitted most of his opponents' case, at least in terms of economics and efficiency, he does let fly one reserve argument. "It is hard to imagine a private company delivering first-class mail at 25 cents a letter in slum as well as suburb, and small town as well as dense city." Well, I for one can imagine it quite easily, and for less than 25 cents, but at least Kuttner is making an economic and not a mystical argument.

The way to prove Mr Kuttner's claim is to let private companies compete in mail delivery, right? Forget it. According to Mr K, the way to proceed is to forbid such competition, since he knows on *a priori* grounds that it is neither feasible nor desirable. Allow competition, and the "downward spiral of reduced services, reduced confidence and privatization will intensify."

I rejoice that Kuttner's views were not prevalent in, say, 1903. I'm sure plenty of people could have been found in that year who just "knew" that heavier-than-air flight is impossible, and that Mr. Ford couldn't possibly mass-produce a workable auto and sell it for about \$300. Why should malcontents such as Henry Ford or the Wright Brothers be allowed to squander scarce resources on impractical dreams, after all?

It seems to me that with Robert Kuttner we are dealing with attitudes that come close to actual evil. I discern a contempt for ordinary people, a belief that their welfare must be sacrificed to the values and visions of their betters, a demand that "expert" opinion be treated as superior to empirical verification. Kuttner makes me shudder.

—WPM

## The tall and the short of genocide —

William Raspberry, in his syndicated column of August 31, asks why the genocidal massacre of the Hutu majority of Burundi by the Tutsi ruling elite is shrugged off with little protest by the Western world. This summer, the Tutsi, who constitute only 15 percent of the Burundi population, slaughtered over 5,000 Hutu men, women, and children, and drove nearly 40,000 others into neighboring Rwanda. And this is but a sequel to the monstrous massacre of 1972, when the Tutsi annihilated around 200,000 Hutu, including all of that tribe's educated members, thereby ensuring a generation of continued oppression without educated tribesmen able to lead a resistance among the oppressed.

Raspberry wonders whether the casual response to this horror by Americans is best explained by the fact that it is blacks, rather than whites, who are being massacred, or—in contrast to the case of South Africa—because blacks are oppressing other blacks, instead of the more sensational white *vs.* black confrontation. Or maybe because there are no western TV reporters to record the event. The answer is probably all of the above. But there is one causal factor that Raspberry doesn't mention, and that I suspect plays an active role in this double standard of emotional response: aesthetics.

As we remember from Hollywood movies on Africa, the Tutsis (sometimes called "Watutsi") are an extraordinarily handsome and graceful ethnic or racial group: all very tall, very slender, and remarkably elegant dancers and spear-throwers. The Hutu, on the other hand, are a short, clunky, and decidedly undistinguished-looking people. Americans, we should note, are dominated by a simplistic Hollywood culture, in which beauty and grace of shape and outward form invariably reflect nobility of soul beneath. And the reverse for common-looking or the ugly. (Or should we call the latter, the "aesthetically handicapped"?) And we should not forget that the Randian culture, which has helped form the libertarian movement, is very similar: Randian heroines look like Greta Garbo (they should live so long!), and Randian villains are lowering and loose-lipped.

It is true, then, that the American public gives very little

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thought to Burundi one way or another, and that there is no powerful political constituency to call attention to that tragic land. But I am willing to bet that if the Hutu ever slaughter the Tutsi, even to a small fraction of what the Tutsi have committed, the outcry from Americans would be fierce, and there would be cries that the U. S. should intervene to save the beloved Tutsi. Simply because the Tutsi look more handsome and more noble—and much taller. Part of the ingrained double standard in the American value-system is aesthetic.

I once wrote an article "Short People, Arise!" in which I called attention to the age-long domination of American culture and society by the Tall over the Short, although I stopped

short—inveterate libertarian that I am—of calling for affirmative action programs to recompense the Short for centuries of Tallist oppression. In the political campaign of 1988, Tallism continues; one of the "charges" being levied against Dukakis by the Bush forces is that he is "short" (tsk, tsk!) and that he has "no shoulders" (an odious and insensitive attack on the sloping-shouldered). Short people, rise up against Tallist tyranny, before you too meet the fate of the poor Hutu! —MNR

**No news is good news** — What passes for news reporting in libertarian circles never ceases to charm and amuse me. In mid-September, I received a copy of *Common Sense: The Newsletter for Libertarians and other friends of Liberty*, along with a suggestion that I might wish to subscribe. It's headline was "Swaziland '88: Libertarianism comes alive." A scheduling conflict prevented my attending the Libertarian International meeting in Swaziland, but I was definitely interested.

"Libertarians from around the world gathered together in Southern Africa in Swaziland at the Royal Swazi Sun Hotel/Spa this past August 7 thru the 13th for the 4th World Conference of Libertarian International . . ." the piece began. I was delighted to read an account of the actual event.

Midway through the report I began reading about a friend and colleague: "Karl Hess is a major pioneer of the modern Libertarian Government. He was a speech writer to Goldwater, Nixon and Ford and a former consultant to the Pentagon and the White House. He is famous for his now classic 'Death of Politics' interview in *Playboy* magazine."

Hmm . . . Karl is a pioneer of "Government"? His piece for *Playboy* was an interview? Then came the clincher: "Hess seminar dealt with the topic of Childrens Rights at the conference."

The anonymous reporter had tipped his hand. Not only is he ignorant of the facts of Karl Hess' life and of spelling and of syntax, but he is also ignorant of the event he covered. As you no doubt know but the reporter for *Common Sense* apparently didn't, Karl Hess was stricken with a heart attack in early July and hasn't been able to travel anywhere, let alone to Swaziland to conduct seminars.

The reporter had apparently written his entire story from the advance press releases of Libertarian International, and not bothered to verify the facts. Not surprisingly, I decided not to subscribe to *Common Sense*.

Incidentally, Karl is recovering reasonably well from the heart attack, which struck him on July 17 while visiting Hartford, Conn., to talk to a libertarian supper club. After open heart surgery lasting about ten hours, and three weeks in intensive care, Karl has returned home to Kearneysville, W.Va, where he is recuperating and continuing to work on the Libertarian Party *News* and think up ideas to amuse his fellow editors at *Liberty*. The blow to his heart was a blow also to his pocketbook, which has already suffered from a frivolous remark he once wrote on an income tax return. Readers and friends of Karl are encouraged to send donations to *Friends of Karl Hess*, 8 Peyton Street, Winchester, VA 22601. Like the best things in life, donations are not tax-deductible. —RWB

**The test of detestable leadership** — Richard Nixon advises in *The Wall Street Journal* that to test the presidential candidates' capacity to govern, we should examine them on what lessons they have drawn from the Vietnam War. He goes on to advise us that the Vietnam War was a moral crusade by the United States.

Really? The U.S. first entered Vietnam on behalf of the de-

spised French colonialists. When the French were driven out, the U.S. picked up the cudgels of Western imperialism and installed a repressive government suitable to itself. In the ensuing years, the United States maintained a series of harsh puppet governments, always hated by the people, and unleashed a mind-boggling degree of murderous military power that killed, maimed, displaced, and otherwise brutalized untold innocent people—all in order to suppress indigenous, popular anti-colonial forces. It strains all credulity to think that good intentions had any part in this.

How can the callous imposition of such appalling misery be called noble? Because communists in the North had designs on the South? Because they might have perpetrated a bloodbath?

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*The tragedy of Vietnam is not that "we" did not win it. It is that Truman, Eisenhower, Kennedy, Johnson, Nixon, and their people were so presumptuous as to think that Vietnam was theirs to dispose of.*

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Even if this happened the way Nixon says (it takes an astonishing degree of self-deception to ignore the actual history of the U.S. intervention and its aftermath), it would not turn U.S. government aggression into something else. Under what moral code is it noble to pound an innocent people into the ground and to scorch their earth in order to "prevent" a feared future bloodbath?

The tragedy of Vietnam is not that "we" did not win it. It is that Truman, Eisenhower, Kennedy, Johnson, Nixon, and their people were so presumptuous as to think that Vietnam was theirs to dispose of. They not only turned Vietnam (and Cambodia) into a living hell; they also accelerated the growth of statism at home and routinely lied to the American people. In other words, they betrayed the classical liberal ideals of the American revolution and disgraced the United States. Watergate places a distant second to Nixon's crimes in Southeast Asia. —SLR

**Indiana vs the Indians** — A lot of nonsense has been tossed about in the media lately about the origin of the word "Hoosier," meaning inhabitant of Indiana. The truth is astonishingly simple.

Back before Indiana was a state, and William Henry Harrison was the Territorial Governor, the local Indian tribes caused a great deal of trouble by trying to hold on to their lands. In order to combat this insolence, Harrison was forced to raise an army. Most of this army was intended to fight the Indians, but Harrison also planned an elite force of well-born shock troops whose job was to guard the Governor's Mansion, as a "last line of defense." Of course, as the chances were comparatively slim that the elite unit (known as the Indiana Territory National Guard) would actually encounter any Indians, a lot of base-born slackers tried to volunteer for it.

Harrison certainly didn't want any hillbillies in the Guard. Not only were they a vulgar lot, but they were illiterate and incapable of writing press releases. Moreover, they wouldn't have fit in the Guard Golf Team at all.

For these reasons, the Guard recruiters had a simple criterion for acceptance of applicants. "Who's your father?" was the key question, soon corrupted to "Who's yer father?" then "Hoosier father?" and finally just "Hoosier?"

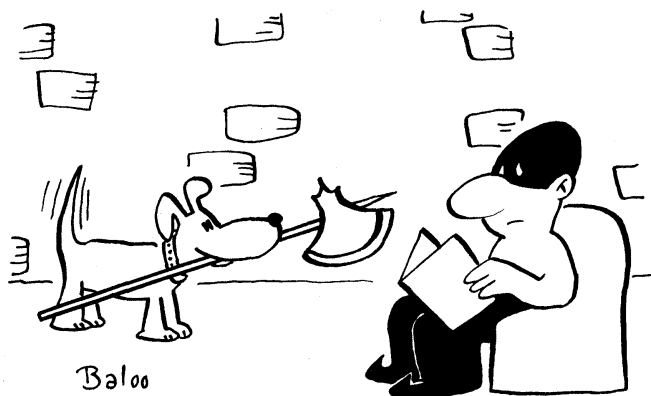
As history has shown us, the strategy worked. The Indians were slaughtered by rednecks who had nothing better to do, and the elite Guard assisted Harrison in his quest for the White House and many accompanied him to his goal. Another puzzle of history cleared up. —RFM

**That Cato Seminar** — As *Liberty* grows bigger and lustier, it is beginning to take on the dimensions in microcosm of the libertarian movement as a whole: lively, entertaining, cacophonous, and a bit wacky around the edges. The wacko ingredient is, for example, embodied in the recent remarks of Messrs. Overbeek and Vogt on a week-long Cato seminar no less than ten years ago ("Rand-Bashing: Enough is Enough," *Liberty*, July 1988; and Letters, *Liberty*, September, 1988). Both of these gentlemen, it appears, have been independently brooding into their beers for the last ten years, ruminating over assorted evils at that conference. Suddenly, ten years after the fact, they have burst forth with their conclusions on the libertarian movement, all of which are apparently based on that one conference. It must have been a traumatic week!

As a veteran of not only that seminar, but countless week-long seminars since, held by Cato and other libertarian institutions, I must admit to being dumbfounded. I don't remember any of those incidents that have formed the psyches of Overbeek and Vogt—and that have apparently led Mr. Vogt to advocate the extermination (only metaphorically, I hope!) of all libertarian leaders above the age of 60? 50? I don't remember being nice to Mr. Overbeek or not-nice to Mr. Vogt; I don't remember any libertarian leader dropping a drink on anyone's head; all this richness of incident that traumatized Overbeek and Vogt totally passed me by.

I would, however, for the benefit of all past and future conference-attendees, like to put in a plea for the lecturers' point of view. And even—though Lord knows I am no defender of Cato officialdom—a plea for the plight of the poor officials at these gatherings. The officials have a heavy responsibility: to keep every detail of the week-long conference going smoothly—a task that students and lecturers alike tend to pooh-pooh and take for granted. It is therefore no wonder if conference officials are often a tense and preoccupied lot, not given to relaxed glad-handing.

As for the lecturer, consider the strain of being at the beck-and-call of the student body, twenty-four hours a day for an entire week. I, for one, consider this sort of lecturing mainly exhilarating, but concede the moments of strain and exhaustion. And also we have to remember that every lecturer has his or her own personality, and that the degree of strain and exhaustion will



differ from person to person. The peak hours of fatigue come from the lectures themselves and the following question-periods, and even the most enthusiastic lecturer often likes to follow these lecture hours with a couple of hours of quiet meditation. Imagine, then, the following scenario, after one of these lecture sessions, into which the lecturer has poured his soul:

*Lecturer* is quietly sitting, ruminating into his beer.

Enthusiastic *Young Student* sees lecturer, sits down promptly at his table.

*Young Student*: "Professor Zilch, I have discovered three glaring contradictions on page 633 of your 'magnum opus,' *Steps Toward Liberty*. Here they are . . ."

Or, alternatively, Scenario II, *Young Student* declares:

"Professor Zilch, your position on economics is very interesting, and I accept most of it. But I demand to know what your views are on the Rothbardian Rights question, and how, or if, you would defend it."

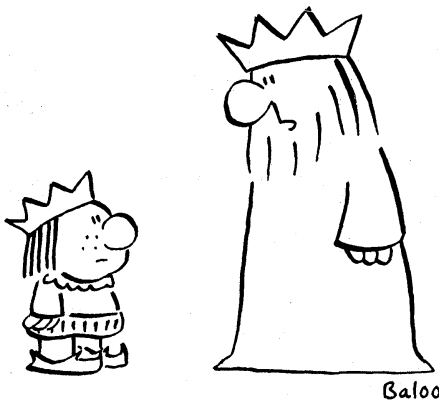
Is it any wonder that a lecturer or two, faced with this common scenario, might grow a bit testy and reach, metaphorically at least, for his revolver? —MNR

**Guilt by disassociation**—In its issue of Sept. 3, *The Economist*, in its review of Alger Hiss' recent book, *Recollections of a Life*, explains why all right-thinking people should consider Hiss innocent of the charges on which he was convicted in 1950. The review cites two reasons to consider Hiss innocent: "the sleaziness of those who brought him down" and "the unanimous decision of the state supreme court of Massachusetts to readmit him to the bar."

Let's consider those charges.

To buttress the claim that his accusers are sleazy, *The Economist* notes: "Mr Richard Nixon had to resign the American presidency in disgrace. J. Edgar Hoover, the long-time head of the FBI, stands revealed as a prurient closet-homosexual. Roy Cohn, another professional patriot who wore the American flag on his sleeve, was disbarred from practising law in New York shortly before his death from AIDS. Even the far right in America now disowns Senator Joseph McCarthy."

The Hiss story first hit the newspapers in 1948, when Whittaker Chambers, a rumpled senior editor of *Time* magazine, testified before the House Committee on Un-American Activities that he had been an espionage agent of the Soviet Union during the 1930s. Among the names of others who had spied for the Soviets, he mentioned Alger Hiss.



"There's nothing *wrong* with being a cowboy, son, but our family has a long tradition of public service . . ."

It was a sensational revelation. Alger Hiss was an Establishment figure of outstanding reputation. After a distinguished career as a government employee, first as law clerk to Chief Justice Oliver Wendell Holmes, then in a variety of jobs within the New Deal, finally as a close advisor to President Roosevelt in the sensitive negotiations with the Soviets during World War II, Hiss was appointed head of the Carnegie Endowment for International Peace.

For most Americans, Chambers' charge was incredible. Hiss was simply too Establishment, too well-educated, and too well-connected to be a Soviet spy. Hiss denied the charges and threa-

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*Instead of presuming guilt by the sleaziness of one's supporters, The Economist presumes innocence by the sleaziness of one's accusers; although in this case, it is more a matter of innocence by the sleaziness of people who in a general way were involved in the same sort of activity as one's accusers.*

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tened to sue Chambers if he ever repeated them outside Congressional testimony, which has legal protection from slander and libel laws. Chambers repeated the charges on a radio program and Hiss sued. At the trial, Chambers produced a vast amount of documentary evidence. The jury found for the defense.

Eventually, Hiss was indicted for perjury in denying the charges before a grand jury investigating the same charges. At the long and colorful trials that followed, Chambers' evidence was minutely examined and challenged. In the end, Hiss was convicted and packed off to jail.

What were the roles of Nixon, Hoover, Cohn and McCarthy in "bringing Hiss down"?

Richard Nixon was a member of the House Committee that first heard the charges, and he did his best to milk it for publicity. But he was not involved in the trial that exonerated Chambers' charges against Hiss, or in the trial in which Hiss was convicted of perjury. J. Edgar Hoover, as FBI chief, coordinated some of the investigation that corroborated Chambers' account, but his personal role was minor and remote.

The roles of Nixon and Hoover in "bringing Hiss down" were minor. The roles of McCarthy and Cohn were non-existent. It was ten days after Hiss was convicted that McCarthy made his first speech charging that communist agents had infiltrated the U.S. government. Cohn's first involvement in anti-communist paranoia came in 1953, when he became an aid to McCarthy. Neither had any involvement whatsoever in Hiss' conviction.

Hiss was "brought down" largely by the efforts of a single individual, Whittaker Chambers. He never even expressed rancor toward Hiss, and having done what he felt his duty, retired from public life and lived quietly until his death in 1961. As an editor of *Time* and the author of several books, he never developed any reputation for sleaze.

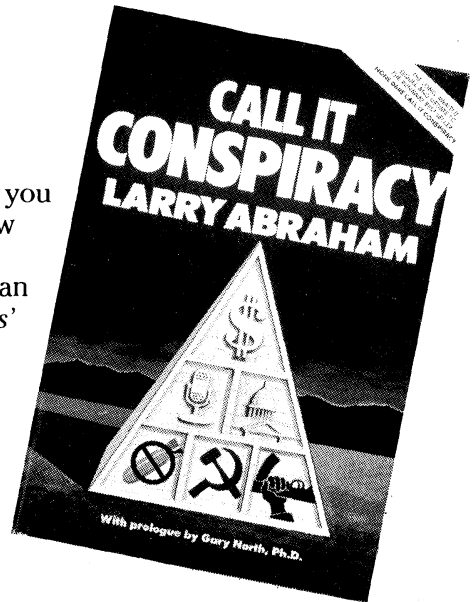
Perhaps that is why he was not mentioned by *The Economist*. Nixon and Hoover, whose roles in Hiss' conviction were negligible, and McCarthy and Cohn, who played no role at all, did ultimately develop sleazy reputations. Perhaps that is why they were cited.

Ultimately, this defense of Hiss is the flip side of guilt by as-



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sociation: instead of presuming guilt by the sleaziness of one's supporters, *The Economist* presumes innocence by the sleaziness of one's accusers; although in this case, it is more a matter of innocence by the sleaziness of people who in a general way were involved in the same sort of activity as one's accusers.

The second reason that we should consider Hiss innocent, *The Economist* advises, is "the unanimous decision of the state supreme court of Massachusetts to readmit him to the bar," leaving the reader to infer that the Court had believed Hiss wrongly convicted.

Not surprisingly, the Supreme Court of Massachusetts was aware that some might draw just such an inference from its decision to readmit Hiss to the bar, so it took pains to make its reasons exceeding clear. Speaking for the court, Chief Justice Joseph Tauro wrote "Hiss comes before us now as a convicted perjurer, whose crime . . . is further tainted by the breach of confidence and trust which underlay his conviction." Moreover, "nothing we have said here should be construed as detracting one iota from the fact that in considering Hiss' petition we consider him to be guilty as charged." (Supreme Judicial Court for the Commonwealth of Mass, "In the matter of Alger Hiss," 269 [1975].)

Why had the Court readmitted Hiss to the bar? Because Hiss possesses the required "competency and learning in law" and had to all appearances led a blameless life since his release from prison. In short, it was an act of mercy to an elderly man who had long since paid his debt to society.

So the second reason cited by *The Economist* for us to believe in the innocence of Hiss rests on a flagrant disregard of the evidence that it cites, the decision of the Massachusetts Supreme Court to allow the old and by then pathetic Hiss to renew his law practice.

I do not go to this trouble to point out the outrageous fallacies published in *The Economist* out of any desire to assail *The Economist*; its status as the most intelligent, most comprehensive, and best-written newsweekly in the world is secure. Nor do I want to prosecute further Hiss for crimes committed long ago.

I do it for one reason: the truth is important. Hiss was a communist spy. He was a perjurer. His conviction was justified by the facts. And *ad hominem* attacks on individuals peripherally involved, or not involved at all, does not change them. Nor does flagrantly misreading a court decision of some 25 years later.

These facts are inconvenient for many of those like myself and like *The Economist* who oppose the contempt for civil liberties that characterized the McCarthy era.

But they are still true. And the truth is important. — RWB

**Prophecy & amnesia** — Libertarians sometimes think of themselves as hard-nosed, cold-hearted realists, viewing the world around them through the icy clear prism of logic. For some reason, many libertarians are content to view libertarian activities through a different lens altogether. They are often myopic when analyzing their own movement.

A case in point: A few months ago an individual sent out a one-page press release (printed on a dot-matrix printer, poorly xeroxed) boldly announcing the birth of a new libertarian organization, the purposes of which were high-sounding and noble. Money would be raised, letters sent out, speeches prepared and given, and assorted other actions taken.

Nobody ever heard of this individual before; there was no track record by which to judge him. In the months since, nothing further has been heard of him—not even fund-raising letters, which nearly every otherwise crackbrained scheme manages to produce on the first pass.

Just another failed idea? Well, not if you believe what you read. Notices of the "birth" of this "organization" were printed nearly verbatim in at least two libertarian periodicals. It was press-release journalism, of course—not news at all, though you would never know it from what was published.

Another example: a well-known libertarian announced a highly complicated political project that would ultimately involve hundreds of thousands of people and dollars. Of course, the specifics of the project weren't finalized before the pitch for funds was sent out. Thousands of dollars were raised to support this worthy endeavor. But when the specifics were completed, the idea was transformed. No matter! Project backers continued to press on, giving speeches and collecting funds. Great benefits will accrue when the noble project is completed!

Of course, when the effort collapsed a few months later there were no press releases, no explanation of where the money went, no explanation of why the project failed. But hope springs eternal! There is—hallelujah!—just enough funding to keep the idea alive to fight another day. No results, no accountability, no nothing. But just as the ancient prophets foretold, there is resurrection and life after death! The prophecy lives!

One more example: a novelist announces a movement to change the world by getting people to sign a personal declaration based on the premise of one of his science fiction novels. The declaration is very libertarian sounding, of course. And—you guessed it—there is a small fee for "processing" the signed declarations.

Nothing wrong here, although one wonders just what effect the signed declarations will have in the real world. The organizers insist the plan can work. Each year the number of signers will double. They will get two people to sign this year, each of

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*It isn't "news" until it happens. If something doesn't work, it's a "failure."*

*Libertarianism will not be taken seriously so long as its proponents wear blinders, believe every hyped-up promise and quickly forget the lessons of failure.*

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whom will get two more the next year . . . two, four, eight, sixteen, thirty-two, sixty-four . . . by golly, in a mere 27.9 years, the entire U. S. population will have signed! No more messy political work. No more tedious educational efforts. No hopeless struggles to resist the encroachments of statism!

With the logic of certainty that only geometry can provide, this painless march towards freedom will deliver us from the wilderness! The ever multiplying hordes of declaration signers will throw off their yokes of oppression at the stroke of a pen. And the great thing about this project is that it's working, according to organizers. In the third year, over 128 people have signed, so the project is well ahead of schedule! Clearly the relentless drumbeat of success can be heard . . .

No one questions the logic of these separate and different projects. And no one remembers them after the high hopes have evaporated in the heat of the reality. Now it might be that amnesia is a good thing in a movement littered with so many hopeless and tiresome defeats, political and otherwise; blocking out painful memories of failure might be a survival trait of the highest order. If libertarians dwelt on the difficulty of effecting

change, or wallowed in the misery of all the numerous failures our movement has spawned, a despair and hopelessness might settle in and doom any further activity.

But libertarians can ill afford to avoid self-criticism either. The razor sharp analysis libertarians apply to many other social and economic problems shouldn't be spared on our own endeavors. How can we hope to gain respect for our ideas when we give safe harbor to every silly idea and proposal, and give equal weight to every vague or well-intentioned utterance regardless of merit, cost or prospects for success?

And while libertarians are often quick to criticize others, why is there so little tolerance for self-criticism? As demonstrated in these pages already, even mild criticism of others is often enough to launch a torrent of self-pitying whining and wailing about how "unfair" it is to dare question the activities of others.

Baloney! Let's look at the histories of both the Left and the Right. The Left in its heyday was a lively place where hundreds of competing ideas, strategies, programs and proposals were all tossed out and mercilessly criticized by various commentators. Much of the vitality of statist and collectivist ideas emerged from this clash of opinion. Bitter feuds in obscure journals in the 1930s gave birth to the modern welfare-warfare state of the 1950s.

The Right had fought a losing war with the Left until the mid-1950s. Then, in the pages of periodicals like *National Review*, ideas were strenuously advocated, strong differences of opinion were hashed and rehashed, and winner and losers went their

separate ways. Out of this noisy clash emerged the right-wing American counterrevolution of the 1970s and 1980s. No phony harmony or "thou shalt not criticize thy fellow conservative" mentality at work here. Instead, the resounding clash of idea vs. idea, of sometimes ugly self-criticism and internal rancor.

What emerged from these episodes on both the Right and Left were major political and intellectual movements that were taken seriously by both insiders and outsiders. Unhealthy or unworkable tendencies were rooted out and replaced in the glare of harsh scrutiny, by more successful modes of adaptation and evolution to current political circumstances.

Soporific and stultifying harmony has some attractive features, just as regulated and collectivist economies have an orderly predictability which some find comforting. Nearly any activity is more comfortable when everyone agrees and gets along, when no one observes that his fellow participants may be crazy, foolish, dishonest or just plain wrong.

But libertarian ideas are never going to be taken seriously if their proponents wear blinders, believe every hyped-up promise and quickly forget the lessons of failure. Libertarianism cannot be taken seriously by others until we ourselves take our own movement and its actions seriously.

It isn't "news" until it happens. If something doesn't work, it's a "failure." And sometimes you've got to kick a few sacred cows in the you-know-where to get the herd moving in the right direction. —MH

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## The Presidential Election

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We recently asked our editors to share their thoughts about the coming presidential election. As usual, they disagreed with one another. So we decided to offer brief essays in support of Ron Paul, George Bush, Michael Dukakis and Nobody.

Volunteers stepped forward on behalf of Messrs. Paul, Bush and Nobody. Alas, not one editor would fess up to support for the plucky Massachusetts governor. The day was saved when an editor came up with a piece written by a well-known libertarian who prefers anonymity.

*Caveat Lector!*

—Timothy Virkkala

**Why I Will Vote for George Bush**—On November 8 of this year I will walk into the Central Elementary School on Eighth Street in Traverse City and cast my vote for George Bush. I suspect a substantial majority of *Liberty's* readers will on that day vote instead for the candidate of a rather well-known minor party. They will likely view my vote for Bush as some sort of aberrant, antisocial, or at least anti-libertarian behavior. Therefore, I will try to explain the reasons for my support of Mr Bush.

Reflect for a moment on the meaning of a vote for president. Try to strip away the verbiage that has grown up around the notion of voting as an expression of popular will or the nobility of suffrage. When someone votes for a presidential candidate, the only unambiguous statement that he or she makes is a desire to vote for that candidate for president. A vote does not necessarily say that the voter wants a certain candidate to be president. It certainly does not say that this candidate is the most qualified person for the office, even if we restrict the category of "persons" to that of active presidential candidates. Nor does it give a moral "sanction" to a candidate, a candidate's views, platform, pledges, promises, ideology, likes and dislikes, or the candidate's political party.

Are these observations really necessary as a preliminary to a "vote for X" pitch? I believe they are, for the simple reason that the concept of "sanction" has become endemic in libertarian political thinking. The origin of this concept is pretty well-known and, for those of you who don't know, ask any libertarian between the ages of thirty and fifty. The fruit of this concept is that many people have come to see voting as a deeply moral, symbolic act.

The act of voting, in my judgment, should be viewed as a minor stratagem in each individual's life-long struggle for a little freedom and dignity and peace of mind. Voting is somewhat like the decisions one makes in deciding which career to pursue or which college to attend; it is not at all the mystical experience the proponents of the sanction theory of voting view it as.

Either Michael Dukakis or George Bush is going to be sworn in as president on January 20, 1989. Before you jump to the conclusion that I am advocating the old lesser-of-two-evils line, hear me out. I do not advocate that position, at least not as a matter of principle; in fact, I have frequently voted for people who had no real chance of winning. I am simply observing the fact that either Bush or Dukakis will win the election. And this is not an irrelevant datum.

Within the context of practical desires, I want George Bush to be the next president of this country. Perhaps the fact that I can think of many people whom I would rather have as president is of philosophical significance. But it is of no political significance. Hell, I would like to be the next president. So what?

### Cleaning Up The Main Stream

The ascendancy of George Bush is important because it signifies a realignment of forces within the Republican Party. To come to grips with the full implications of this fact, it is necessary for us to rid ourselves of a few prejudices that may cling to us from earlier political activisms.

Like many libertarians, I cut my political teeth in the Goldwater campaign. In those days, the strong free-market, pro-liberty element in the Grand Old Party was indisputably a minority faction, at least at the leadership level. We seemed to be in a permanent state of insurrection, forever pitted against the leftist Rockefeller-Javits-Romney-Scranton establishment within the party. For some years after the 1964 debacle, many of us still viewed right-wing insurgency within the GOP as something basically accruing to our benefit even if we didn't always agree with some aspects of its strategy or programs.

Gradually something happened that wasn't easily integrated into our political consciousness: the old Goldwater Rebellion was becoming the Republican Party. The establishment GOP liberals were becoming a minority wing and, finally, just isolated individuals. During the Reagan era, more-or-less Goldwater-style conservatism came to dominate the Republican Party. This change had many important implications. The one most important for this discussion is that as the reasonably sensible (and proto-libertarian) Goldwater-type conservatives were becoming the establishment within the GOP, they were replaced as a dissident movement by the nut right—theocrats, creationists, conspiracy buffs, Birchers, populists, and various elements tinged with racism, anti-Semitism, and funny-money nostrums.

The rise of George Bush to prominence in the Republican Party represents the return of his party to a secularized, mainstream, American brand of conservatism. The single greatest obstacle to the spread of sensible right-wing policies in America among the *intelligentsia* is the identification in the minds of so many thoughtful people of conservatism with puritanical, anti-intellectual, and just plain stupid ideas.

Bush has a chance to revitalize the Republican Party by bringing its best elements to the fore. He has the ability and the

will to make a credible outreach to millions of people who would never feel comfortable in a Republican Party run by the likes of Jerry Falwell.

### The Civilized Choice

Libertarians sometimes forget that a presidential candidate is not simply a repository of ideology and program. Intelligence, competence, and character do matter. Public and private decency do matter. I don't mean that every peccadillo must be held up to scrutiny. But a *pattern* of immorality and deception—among contemporaries the names Hart, Biden, and Kennedy come to mind—does preclude one from being a good president, even if one had committed *Human Action* to memory.

Yes, ideas count, but people count also. And so does character and civility. At least when George Bush speaks of those in the banking profession, he refers to them as bankers, not "banksters," as the Libertarian Party's representative insists on doing. Bush treats those engaged in the profession of arms as honorable men and women, not as war criminals. More importantly, he treats the United States of America not as a sordid empire bloated by aggression and imperialism, but as a civilization that, despite its shortcomings, is worth preserving at almost any cost.

Since this is a personal statement, I will lay my views on the line. On these issues, I agree with Vice-President Bush. I disagree with Ron Paul and Michael Dukakis. I simply cannot agree with the far-right approach of this year's Libertarian Party candidate. My disagreement with Dukakis is too obvious to require elaboration.

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*The single greatest obstacle to the spread of sensible right-wing policies in America among the intelligentsia is the identification in the minds of so many thoughtful people of conservatism with puritanical, anti-intellectual, and just plain stupid ideas.*

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What about the Vice President? I believe George Bush is fit to be president, for reasons of politics and personality. He has led a life of manly virtue. From his outstanding combat record as a young war hero to his forceful and successful confrontation with assorted European leftists during the Pershing missile crisis he has demonstrated not merely competence but a devotion to civic life of a kind typical of an earlier, less theatrical era of our history. His career exemplifies the fact that the true majesty and strength of a republic lie in simplicity and dignity.

I disagree with George Bush on many issues, though it is only fair to add that I agree with him on many more. Most importantly, however, he is the *kind of person* whom I want as president. His opponents are not. As a lover of liberty and of our civilization, I will vote for him in November.

—by William P. Moulton



"Because I decided that when you wear a golden crown and an ermine robe, you're just *looking* for trouble."

**Better Duke Than Bush**—I am getting increasingly bitter at the Republican tinge of the libertarian movement, a tinge demonstrated once again in the election year of 1988. There are plenty of libertarians and pseudo-libertarians who have come out, explicitly or implicitly, for Bush, including the usual suspects—Hospers, the *Reason* crowd, Cato, Citizens for a Sound Economy, Reaganites Anderson and Niskanen—even one editor of *Liberty* itself. But, in all this, who is there to say a good



word for the Duke? Or, not to get carried away completely, for the Duke as compared to George Bush?

I am not trying to take anything away from the noble and magnificent campaign of Ron Paul for President of the United States. But everyone, including Paul, concedes that he will not be elected President in 1988. That being the case, who of the only two realistic possibilities should we hope gets elected?

I believe that we libertarians should hope and pray for the victory of the Dukakis-Bentsen ticket, as very much the lesser of the two evils that confront us.

Whatever the evils of democracy, I think most libertarians would concede that a multi-party state is far better than a one-party state. But if George Bush, with all the charisma of a wet noodle, can defeat the Democrats, this means that we are likely to suffer under a one-party presidency forever—surely an intolerable situation. To save us from a one-party executive branch, the Democrats *must* win in 1988.

The Republicans have built an entrenched machine during the eight years of the Reagan Presidency. It is imperative to kick it out. It would take the Democrats at least eight years to establish and encrust a comparable machine. In the meanwhile, Democratic rule will be tentative and wobbly—all to the good from the point of view of the rights and liberties of the people.

### Odious Super-Patriotism

What is the major issue of this campaign—as defined by the Bushies themselves? Clearly, the Pledge of Allegiance, which George recited in the odious epilogue to his big acceptance speech. Contrary to what the boobs think, the Pledge of Allegiance is *not* part of the U. S. Constitution or our American Heritage. It first appeared in the *Youth Companion* in 1892, and was sanctified in an edict of President Benjamin Harrison, who wanted it recited in all the public schools of the nation. President Harrison, as a typical Republican nation-statist of the 19th century, emphasized the Pledge in order to push nationalist super-patriotism as against the two classic enemies of the Republican party: the South and the Roman Catholic Church. Its emphasis on “one nation *indivisible*” was sticking it to the South, and to everyone—including, presumably, every libertarian—who supports the right of secession from the union. Essentially an oath to the Nation-State’s bloody battle flag, the Pledge was sticking it to the Catholic Church, which did not believe in any oaths or pledges of allegiance except to God.

During the early part of this century, in the era of the notorious Palmer Raids and Red Scare, the Nation-State increased the stress on the Pledge of Allegiance and on forcing teachers to recite it and kids to repeat it. Like many Americans, Dukakis believes that the Jehovah’s Witnesses cases in the Supreme Court in the 1940s settled the matter, outlawing any sort of compulsory salute or pledge. But now the Bushies, latching on to the resurgent super-patriotism of the American booboisie, is making the Pledge the major issue—even though it plainly has nothing to do with the problems facing the next president.

### Card-Carrying ACLU Member

In a phrase echoed by his army of flunkies, George Bush accuses Dukakis of being a “card-carrying member of the American Civil Liberties Union.” Why “card-carrying”? What in hell does that *mean*? Does the ACLU issue cards to its members, and if so, does Dukakis wear one near his heart at all times, and if it does and he does, so what? Apparently, Bush is trying to revive the McCarthy era, when the charge that one was a “card-carrying Communist” could spell the end of a career, and to imply that the ACLU is somehow commie, subversive, or traitor-

ous. Of course, these charges are balderdash. The ACLU often does good work on behalf of civil liberties, even though it sometimes confuses civil liberties with so-called civil “rights.” (William Moulton made this point very well in the May, 1988, *Liberty*.) I, for one, would feel a lot better about George Bush if he were a card-carrying member of the ACLU rather than a card-carrying-member of the militarist, war-mongering Veterans of Foreign Wars.

The Reagan-Bush Administration has been uniformly rotten on civil liberties: on wiretapping and invading the privacy of American citizens, and on restricting their rights according to the Freedom of Information Act to know what their rulers are up to. Remember that Bush once headed the Central Intelligence Agency, our infamous agency of secret thugs.

### Peace and Non-Intervention

While hardly a super-dove or a consistent non-interventionist, Michael Dukakis is *far more* non-interventionist than George Bush. Dukakis is more enthusiastic than Bush about the INF treaty, opposes the reckless boondoggle of Star Wars, and is far more enthusiastic about ending the terrible arms

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*It is imperative to kick out the entrenched Republicans. It would take the Democrats at least eight years to establish and encrust a comparable machine. In the meanwhile, Democratic rule will be tentative and wobbly—all to the good from the point of view of the rights and liberties of the people.*

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race—for all of which he has been wrongly attacked by the Bushies as supporting “unilateral disarmament.” Dukakis is firmly opposed to aiding the fascist *contras* and—wonder of wonders!—was virtually the only man in American political life, with the exception of Congressman Ron Paul, to oppose the brutal American invasion and domination of little Grenada. For that alone he should be honored by libertarians when they make a choice between the two political evils.

### Economics

What about the charge that Dukakis is a liberal corporate statist? Of course he is, but so is Bush. But isn’t Bush far better on free markets? No. The Reagan-Bush administration gave only lip service to the free market. In fact, it enormously increased regulation of business, engaged in a vicious and hysterical crackdown on allegedly criminal “inside-traders,” raised tariffs and import quotas and cartels, and *increased* taxes and government spending, even as a percentage of the GNP. Dukakis would be no worse than Bush, especially considering that Dukakis tends to be a cautious spender. Dukakis’ *rhetoric* would be worse, but this is *better* for the cause of liberty, because no one would be misled into thinking that Dukakis’ programs are in some way libertarian or are “getting government off our back.”

And there is another crucial point: Since becoming the Secretary of the Treasury in 1985, James Baker (big buddy of Bush, and assured Secretary of State in a Bush administration) has unfortunately been very effective in engineering coordinated monetary policies and exchange rates among the large central banks. Baker has been greatly aided in this Keynesian thrust toward a

world central bank and world economic government by his Tri-lateralist pals in world financial and ruling circles. This is the greatest single economic evil that we face in the near future. A Dukakis administration would be no less Keynesian but, being far more removed from world financial elites, would be far less effective in pushing this sinister world-collectivist program.

So, fellow libertarians, let the slogans for Election Day '88 be: Crush Bush! Roast Quayle! And at least Two Cheers for the Duke!  
—G. Duncan Williams

**Vote for nobody**—The most obvious alternatives are George Dukakis and Michael Bush, representing respectively the Tweedle Dee and Tweedle Dum interest factions of the Democratic Party.

Bush comes from the more conservative Big Business, Welfare State wing of the Eastern Establishment. His views on personal liberty can be inferred from service as director of the CIA, an agency which (like the DEA, NSA, FBI, and IRS) acts as a government within a government answerable to no one.

His service as chief of the War on Drugs offers another clue to his character. It's not simply that this boondoggle is the most damaging assault on individual liberty since Roosevelt set up concentration camps for Japanese-Americans. The War on Drugs actually increases the total amount of both drug traffic and violent crime by increasing the dealers' profits and the consumers' costs. It's simultaneously created numerous permanent new crime syndicates, much as Prohibition gave the Mafia the financing it needed. This sector of government is incredibly corrupt. I'll warrant a substantial percentage of DEA agents, as well as local narcs, will retire in luxury thanks to George. Many of those who don't will just go to work for, with, or among the folks they regulated, a long standing tradition with government employees.

As far as anyone can determine, Bush is totally devoid of any personal philosophy. He might be described as a conservative without an ideology; he'll likely conserve the present direction the Ship of State is being blown just because that's more or less what his backers expect of him. He's simply a preppy who decided to go to work for the government and got lucky. You

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*You knew kids like George Bush when you were in school. Affable, yet devious and quick to look out for Number One; not really too bright, but shrewd enough to cultivate favor with his teachers. He probably didn't lie, cheat, or steal, because it was socially unacceptable, not from any ethical considerations.*

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knew kids like him when you were in school. Affable, yet devious and quick to look out for Number One; not really too bright, but shrewd enough to cultivate favor with his teachers. He probably didn't lie, cheat, or steal, but because doing so was socially unacceptable, not from any ethical considerations.

The best argument for Bush is that he was associated with Ronald Reagan, and we happen to have had some very good times with Reagan. It's true, Reagan was no rocket scientist, but his heart was more or less in the right place; and people feel better about Bush after two terms with the avuncular Reagan than

they did about Ford after (not quite) two terms with a sleazy Nixon. The fact that Ford is probably a much higher-quality human being than Bush is beside the point. Since when did that make a difference in Washington, D.C.?

The wags couldn't come up with an appellation for Reagan and Bush, but they certainly have for Bush and his running mate: the Turkey and the Quail.

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*Voting compromises your privacy, gets your name into another government computer bank, and entails hanging around government offices.*

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Dukakis represents the more liberal Big Government, Welfare State wing of the Eastern Establishment. A faceless lifelong party *apparatchik* who somehow makes his way to governor, through successful infighting becomes a member of the Democrats' Politburo-equivalent, and is finally put up for party chairman—the Dukakis success story could have happened in the Soviet Union as easily as in the U.S. Certainly Dukakis seems to be the kind of duplicitous and ruthless character who would do well in that environment.

Unlike Bush, Dukakis clearly has a political philosophy, although it's not one that appeals to those interested in either personal freedom or economic prosperity. The man's record in Massachusetts is one of ballooning bureaucracy, expenditures, and taxes; contrary to his propaganda, the state's economic success was no greater than that of others in the region, and far less than that of neighboring New Hampshire. The Massachusetts "miracle," such as it was, resulted largely from tax cuts made by a more conservative predecessor, largesse financed by debt (which is the next guy's problem), and Federal porkbarrelling (which comes at the expense of the rest of the country). He thinks it's a good idea to foment revolution in South Africa, but a bad idea to foment it in Nicaragua. One suspects he'd like to centrally plan the US economy, and that his problems with Jesse Jackson are no more than a disagreement over which of them should run things. On the positive side, Dukakis looks somewhat more sincere kissing babies and eating ethnic food than does his opponent.

But I'm not telling you anything you don't read in the newspapers.

My guess is that the majority of Bush voters will be voting against Dukakis rather than for Bush. I think they are making a mistake. Consider the consequences of a Bush election. If the economy collapses during the next four years, the Republicans, traditionally (albeit inaccurately) labeled the party of free enterprise, will take the blame. Wouldn't it be better if the Democrats, traditionally (and quite accurately) labeled the party of creeping socialism, took the fall? The reaction of either party to an economic crisis is likely to be about the same, so it's clearly better to have the Greater Depression associated with the Democrats, and discredit their creeping socialist ideology.

But most people don't think beyond the immediate and short-term consequences to their pocketbooks when they vote, and while both candidates promise to be disasters, Bush appears to be the lesser of two evils. But there are a couple of positive alternatives.

#### **None of the Above**

I can give you five good reasons why you may not want to "pull the lever and feel the power."

1. Voting in a political election is unethical. The political process is one of institutionalized coercion and force. If you disapprove of these things, you shouldn't participate.

2. Voting compromises your privacy. It just gets your name into another government computer bank.

3. Voting (as well as registering) entails hanging around government offices, and dealing with petty bureaucrats. Most people have something more enjoyable or productive to do.

4. Voting just encourages them. A vote against one candidate is always interpreted as a vote for his opponent, an endorsement for his policies, a mandate for him to enforce his will on society. That's a heavy moral responsibility considering what they're likely to do.

5. Your vote doesn't count. Politicians say it counts because it's to their advantage to get people into busybody mode. But, statistically, one vote in scores of millions makes no more difference than a single grain of sand does to a beach. That's entirely apart from the fact that officials manifestly do what they want, not what you want, once they're in office. And entirely apart from the fact that over 98% of all incumbents are re-elected anyway.

For those overcome with an atavistic urge to join the howling mob on November 8. There is a positive alternative.

#### A Dark Horse on a White Horse

You might consider Ron Paul, the Libertarian candidate. It's something of an oxymoron to be a libertarian politician, but despite his having served as a Congressman from the Houston area for several terms, Paul is not a professional pol; he voted fairly consistently on the side of individual liberty while he was in office. He advocates dramatic tax reductions, privatization of most government services, abolition of the Federal Reserve and institution of a gold standard, and nonintervention in the affairs of foreign countries. He's a decent human being. And he doesn't have a snowflake's chance in hell of being elected. But he is on the ballot in almost all states, and if you want to give a signal to the powers that be, you might consider Ron Paul.

But as for me, I will spend November 8 doing something more fun than voting.  
—Douglas Casey

**Vote for Ron Paul**—There are good reasons for all Americans to vote for Ron Paul. In contrast to the other candidates, Paul promises to act to reverse the growth of government, to reduce its control over individuals' lives, and to lower the cost of government. The accelerating growth of government during the past century is the root of most of the social problems that we face today. The restrictions by the U.S. government on its citizens are an abomination, and are getting worse. And the total cost of government, in terms of dollars and in terms of reduced individual liberty is a burden that approaches the limits of the ability of the citizens to bear. Ron Paul is alone among presidential aspirants in seeking to change these trends.

All Americans should vote for Ron Paul because the election of Ron Paul would be better for America than the election of any other candidate.

The reasons that every libertarian or classical liberal should vote for Ron Paul are even more compelling.

1. A vote for Ron Paul sends a clear message about what we as libertarians want. A vote for Bush, Dukakis or a refusal to vote sends an obscure, essentially meaningless message.

The major party candidates advocate programs that mix the ideas of liberty and the state in odd ways. Bush favors slightly lower taxes than Dukakis, but favors a continuation of the military spending boondoggles begun by Reagan. Dukakis gives

greater support to civil liberties, but promises to increase the power of the IRS and the regulation of entrepreneurial enterprise. Both strongly support escalation of the War on Drugs, i.e. stepping up suppression of free market activities in drugs not sanctioned by government.

What's more, both Bush and Dukakis seek to bring together a variety of special interests and ideological groups. A libertarian vote for Bush is likely to be mistaken as a vote for more military spending or for more Federal aid to education; a libertarian vote for Dukakis is likely to be mistaken as a mandate for greater regulation.

Libertarians should remember the motto of the nascent Libertarian Party in 1972: "Say No to Both!"

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*A vote for Ron Paul conveys a clear and unmistakable message: you are a member of the American polity who supports libertarian policies and actions. A vote for Paul sends a message that stands out. It will not be confused or lumped with the "noise" of non-voting or the lesser-of-two-evils major party voting.*

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And saying "No" to the growth of the state does not mean boycotting the election, even when that boycott is motivated by a feeling of moral superiority. Non-voters of all stripes are lumped together in the public mind as lazy, uncaring, stupid, poorly educated, unpatriotic, wrapped up in personal matters . . . and adding a few libertarian votes to the already huge group of non-voters will do nothing to change that perception.

To give a libertarian message, you must vote for the candidate who is most libertarian. While many libertarians (ourselves included) may disagree with Ron Paul on one or two issues or on strategic campaign decisions, he is articulating libertarian ideas. No other candidate is even a close second.

A vote for Ron Paul conveys a clear and unmistakable message: you are a member of the American polity who supports *libertarian policies and actions*. A vote for Paul sends a message that stands out. It will not be confused or lumped with the "noise" of non-voting or the lesser-of-two-evils major party voting.

2. Ron Paul is qualified to be President, or at least as quali-



"It's a neat idea, but if I derived my just powers from the consent of the governed, I'd never get anything done!"

fied as any man can be.

The President of the U.S. has vast powers. He can make war, make peace, issue executive orders with the force of law, set priorities in law enforcement, veto legislation. He can speak directly to the American people and marshal public opinion. He can appoint members of judicial, regulatory and administrative bodies.

In a certain sense, of course, no man is qualified to be President. As the state has grown, the notion that the state has magical powers has grown. And because the President embodies the state, many people believe that the President can perform magic: he can cure unemployment, raise the standard of living, elimi-

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*Americans have the rare opportunity to vote for a libertarian for the most powerful office in the world. At a time when many of the world's people are literally dying under the heel of statism, it would be a shame for libertarians to ignore the opportunity to express their belief in a free and just society.*

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nate injustice, eradicate poverty, reduce ignorance—in short, solve any problem faced by any person.

Of course, Ron Paul cannot perform these miracles. But then neither can George Bush or Michael Dukakis. The difference is that Ron Paul *knows* that he cannot perform miracles. He understands the limits of government.

His intelligence, his honesty, his willingness to work hard, his understanding of libertarian ideas all qualify him to use the Presidency to maximize human liberty. And his humility enables him to be President without letting the power of the office go to his head.

3. Ron Paul is an intelligent advocate of liberty.

It is chic in some circles to denigrate the libertarianism of Ron Paul, to claim that his libertarianism is not particularly intellectually sophisticated. His rejection of libertarian orthodoxy on the issue of abortion is often cited.

Ron Paul became a libertarian the hard way: by studying independently, by grappling with ideas, by critically examining theories, accepting some and rejecting others. He brought with him certain values, which might be characterized as bourgeois or conservative. Not surprisingly, he retained some of these values. This is the normal process of independent, critical learning.

As a self-taught libertarian, he disagrees with most libertarians on one or two issues, most notably abortion. This is the natural consequence of the process of self-education. Although we disagree strongly with him on the matter of abortion, we respect the careful consideration that has gone into the development of his position. We daresay that Paul's statements on the subject of abortion give evidence of far more critical examination of the issue than many libertarian purists who condemn him for his view.

Those who would like to expel Paul from the libertarian movement might do well to recall that libertarianism is not a religious faith, an orthodoxy defended by a priesthood. It is a growing, changing approach to social questions. By today's standards, the libertarian ideas of our founding fathers seem pretty childish compared with the brilliance of, say, Misesian praxeology. A century from now, the ideas of Mises, Rothbard or Rand may seem pretty unsophisticated, simplistic or even

embarrassing.

In the meantime, we who advocate human liberty should maintain respect for the thinking of other libertarians, even when they disagree on a particular aspect of libertarian theory or program.

4. Ron Paul is a good and decent man.

He has demonstrated his goodness and decency in the U.S. Congress by advocating policies that he believed right—even when cost was high. At times he took positions that were at odds with his party, even when that cost him the support of his Republican colleagues.

At times, he supported individual liberty in cases that were unpopular in his Congressional district. Rather than pandering to his constituents' wishes, he explained to them why he believed what he did. His opposition to the military draft and to increased Federal drug enforcement may have cost him the support of some constituents. But it earned him the respect of many more, including many of those who disagreed with him.

Ron Paul stood firm when blasted by his critics for being stubborn and single-minded in Congress. He held up the banner of liberty as a Republican congressman, even when asked questions about controversial topics, like victimless crimes and U.S. foreign policy. Even his loudest critics among libertarians have failed to come up with anything other than a few half-baked accusations and muddled interpretations of often complex real world voting decisions.

Like past LP candidates, he has labored in harsh vineyards of ignorance, indifference and outright scorn. He has worked hard, with little prospect of personal reward, to increase our freedom, to build our movement. He has supported libertarian activities, both personally and financially, long before he entered politics. Ron Paul is a man worthy of your vote.

5. A vote for Ron Paul helps the libertarian movement grow.

Election campaigns are the one time that most Americans consider it good manners to discuss political ideas. The Libertarian Party provides a means for libertarians and classical liberals to offer our vision of the future to our fellow citizens. By voting for Ron Paul, you help increase the visibility of the Libertarian Party.

The greatest hurdle that the Libertarian Party must cross in its efforts to promote liberty is to obtain permanent ballot status in as many states as possible. At present, a large part of campaign efforts and expenses are spent on ballot drives. Once the Party gets enough votes, it will be able to channel the funds and energies spent on petition drives into the general election, thereby spreading our message even wider. And the only way the LP can obtain permanent ballot status is by getting more votes.

6. A vote for Ron Paul adds to the credibility of libertarian ideas.

Americans worship success. Whether we like it or not, most Americans are more willing to take libertarian ideas seriously if they perceive the libertarian movement as a growing movement. And for most Americans, the success or failure of the Libertarian Presidential nominee is the most visible sign of the growth (or decline) of the movement.

Americans have the rare opportunity to vote for a libertarian for the most powerful office in the world. At a time when many of the world's people are literally dying under the heel of statism, it would be a shame for libertarians to ignore the opportunity to express their belief in a free and just society.

—Mike Holmes and R. W. Bradford



## Report

# The Search for *We The Living*

by R. W. Bradford

It began as an obscure, unsuccessful novel by Ayn Rand in 1936. With the aid of Benito Mussolini's son, it was made into two motion pictures in Fascist Italy in 1942. The films were major box office hits, but a few months later Nazi propaganda minister Joseph Goebbels denounced the films for being "soft on communism." Then, according to the producer, the Fascists ordered all prints and negatives of the films turned over so they could be destroyed. For many years it was believed all copies had been lost, but the producer had hidden a single copy of the negative. In 1968, after an elaborate and frustrating search, the negative was found and Rand began to edit the film for re-release. But events intervened, and the film was not shown again publicly for nearly 20 years.



Few films have had such a tortured and tortuous history as *We The Living*. The film scheduled to open in New York in November is more than a historical curiosity, more than a footnote in cinematic history. But to this day, its history is shrouded in mystery; much of its story will never be known with certainty.

What began as a profoundly individualistic novel became a profoundly individualistic film. How it came to be produced in Fascist Italy without the knowledge of its writer, how it was lost but ultimately found, how its literary rights were obtained and the film eventually shown in America is a complicated and sometimes obscure story.

What follows is an account of the production of *We The Living*, its suppression by Fascist authorities, its apparent loss in the aftermath of World War II, its rediscovery some twenty years later, and the editing of the nearly forgotten film into a new version, which will be released to theaters later this year. "There is a folklore growing up around the film," co-producer Henry Mark Holzer has noted, "and there are a lot of stories that are apocryphal." In this account, I have attempted to separate the true from the false, the credible from the unbelievable, and to indicate those issues that remain unresolved, mysterious or provocative.

One evening in January 1926, a young man made a remark at a party to a girl he hardly knew. She was moving away, and he wanted her to tell the people she met about the place she was leaving. "If they ask you, in America—tell them that Russia is a huge

cemetery, and that we are all dying slowly." "I'll tell them," she promised.<sup>1</sup>

The city was Petrograd in the Soviet Union. The girl was Alice Rosenbaum, an intensely serious young woman who had just received permission to leave the Soviet Union. These were not happy times in Russia: the Great War and the Revolution that followed had taken a terrible toll in property and life. The "social reforms" of the Revolution had torn society apart, wiping out the westernized, liberal world that had begun to emerge in the Russian metropolis.

In America, Alice Rosenbaum relentlessly pursued her goal to be a writer. She moved to Los Angeles, determined to become a screenwriter. She found work as a movie extra. Gradually she mastered English, and began to write. Four years later, the young woman—by now she had chosen Ayn Rand as her name—began work on a novel, which she called *Air Tight*. By the time she had finished it in 1933, she had renamed it *We The Living*.

"*We The Living* is as near an autobiography as I will ever write," she would later note.<sup>2</sup> Like Ayn Rand, its protagonist, Kira Argounova, is a young woman who has grown to maturity in Russia during the Great War and the Russian Revolution. Like Ayn Rand, Kira comes from a middle-class background. Like Ayn Rand, Kira rejects the morality of Communism, and opposes the Soviet State.

But unlike Ayn Rand, Kira has no relatives in Chicago who could sponsor her visit to America and escape from the Soviet Union. So Kira Argounova has to stay in Petrograd, to try to make a life under the Soviets. She decides to study to become an engineer. She meets and falls in love with Leo Kovalensky, a young aristocrat who is persecuted by the state. "He knew nothing about her present, but she told him about her future; about the steel skeletons she was going to build, about the glass skyscraper and the aluminum bridge" (p 73). He develops tuberculosis, but the Soviets refuse his admittance to a sanitarium and deny him a job so he can pay for private care. Kira discovers that Andrei Taganov, an idealistic communist revolutionary, has fallen in love with her. She becomes Taganov's mistress to obtain money to pay for Leo's medical treatment.

*We The Living* is the story of the resulting love triangle. And it is Ayn Rand's fulfillment of the promise she

had made at the party the eve of her departure.

Three years passed before *We The Living* found a publisher. After printing only 3,000 copies, the publisher destroyed the type. A year later a British edition of *We The Living* was published, without much greater success. Rand continued to work as a junior screenwriter in Hollywood and began work on a new novel.\*

But that was not the end of the publishing history. A few years later, the Italian publishing house Casa Baldini e Castoldi published an Italian translation of the novel as *Noi Vivi*.†

The Fascists were very hostile to Soviet communism, and *We The Living* offered a hideous portrait of life under the Soviets. More importantly, it tells an exciting story involving a melodramatic love triangle. Apparently its publisher

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*Ayn Rand knew nothing of the film. Her permission had neither been required nor sought. "We were able to do it only because we stole the rights," explained Assistant Director Anton Majano.*

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knew a good story, when it found one. *Noi Vivi* became a best seller.<sup>3</sup>

It occurred to Goffredo Alessandrini that *Noi Vivi* might make an interesting film. Alessandrini was a well established film director. In America, he is remembered for his Fascist films. *The Film Encyclopedia* says he "directed several award winning Fascist propaganda films."<sup>4</sup> Edward Tannenbaum, in his authoritative *The Fascist Experience: 1922–1945*, writes of one of Alessandrini's earlier films, "The theme of a freelance, selfish hero redeemed by patriotism was dramatized most effectively in the

\* *We The Living* was not published again in English for more than 20 years, and only then after Rand had established herself as a best-selling novelist and had gained a huge and enthusiastic following.

† I could not determine the exact date. The director of the film, Goffredo Alessandrini said in a 1973 interview that the novel had been published a few months before production began.<sup>5</sup> Henry Mark Holzer, Rand's attorney who later co-produced the American subtitled version of the film, believed it was authorized by Rand and issued before the war.<sup>6</sup> Duncan Scott, another co-producer of the American subtitled version, believed that it was an unauthorized edition issued during the war.<sup>7</sup>

film *Luciano Serra—Pilota* (1938), directed by Goffredo Alessandrini. . . . A good case can be made for the argument that [this film] had a more specifically Fascist message than any other significant Italian film. . . ."<sup>8</sup> Alessandrini's reputation in Italy is quite different: he is remembered for intimate psychological studies and for allowing his actors considerable freedom to develop their parts.

It is easy to see why filming *Noi Vivi* appealed to Alessandrini: it was a best-selling book, its love story was both fascinating and quite racy for the time, and its anti-communism would get it past the watchful eyes of the Ministry of Popular Culture. And Alessandrini wanted to make an epic film.<sup>9</sup>

The Italian film industry at that time was booming. Beginning in the mid-1930s, Mussolini had placed a high priority on the film industry, employing the usual techniques to stimulate industrial growth: low-cost government loans, protection from foreign competition, establishment of government-financed training institutes, and creation of government-run production enterprises, central planning and coordination of industrial activities. In 1935, Mussolini established the *Centro Sperimentale di Cinematografia* to teach film-making; in 1937 he established *Cinecittà* (literally "Cinema City") as Europe's largest film making complex. (Both these institutions remain in operation today.)

The tactics paid off: by 1939, the Fascist state was in control of the film industry, and the state efforts had increased the quantity (if not the quality) of Italian film production. Ideological control of the films was maintained by the Ministry of Popular Culture.

But this is not to say that Fascist Italy maintained the degree of control that existed in Nazi Germany or Soviet Russia. The control exercised by the Ministry was substantial, but not total. Italians have a long tradition of successfully evading government regulation, and within limits, creative Italian film makers could find ways to make films the way they wanted.

When word of Alessandrini's proposed film of *Noi Vivi* reached the Ministry of Popular Culture, a serious

§ The production of *Luciano Serra—Pilota* was supervised by Vittorio Mussolini, the Duce's son who also played a role in *Noi Vivi*. One of the scriptwriters was Roberto Rossellini, who later gained considerable fame as a director, and whose brother Renzo did the music for *Noi Vivi*.

problem arose: the Ministry forbade its production. At this point, the film's legal counsel Massimo Ferrara interceded. In a statement early in 1988, Ferrara explained:

When the documentation of the production project was presented to the offices of the Ministry of Culture, I faced an unexpected refusal of the requested authorization for shooting. The Minister, Corrado Pavolini, pointed out to me that I had made a wrong choice of the two well-known writers—two old-fashioned intellectuals outside of the Fascist ideology. I had to ask for the help of Vittorio, the son of Benito Mussolini, who was also a film producer and a friend of mine. He convinced Minister Pavolini to authorize this film production.<sup>10</sup>

(This at least is Ferrara's version\*: it may be that Mussolini was involved more deeply in the project. At any rate, we know that he supervised production of Alessandrini's *Luciano Serra—Pilota*. And, as we shall see below, Fosco Giachetti, the lead actor in *Noi Vivi*, remembers a different role for Mussolini.)

Ayn Rand knew nothing of the film. Her permission had been neither required nor sought. Associate Director Anton Majano explained, "We were able to do it only because we stole the rights . . . because of the war. Otherwise it would have been impossible. Ayn Rand would have never sold the rights to us."

Alessandrini hired Fosco Giachetti to star in the film.<sup>11</sup> He played Andrei, the Communist revolutionary and member of the G.P.U. (secret police) who, because of his uncompromising idealism, personified the best the revolution had to offer.

The casting of Giachetti as Andrei was parallel in many ways to the casting of Clark Gable as Rhett Butler in

\* It should be noted that Ferrara's account of the film's production and subsequent history differs from virtually all the other participants in several important ways: he claims the production was his own idea, that he cast all the stars, that he had foreseen prior to production that the production would result in two films rather than one, and that the film was banned by the Fascists. All these claims were disputed by at least one participant; and, as far as I could discover, not one was substantiated by any other participant. In addition, two other claims by Ferrara—that he was the virtual producer of the film and that he showed the film to Goebbels have no substantiation, although they are not directly contradicted by any other testimony. The only other mention of Ferrara that I came across was from Brazzi, who identifies him simply as Michele Scalerà's lawyer.<sup>12</sup> (Scalerà was head of Scalerà Studios, which produced the film.)

*Gone With The Wind*, made in America a few years earlier. Like Gable, Giachetti at 38 was a bit old for the part—at the beginning of the novel, Andrei was 26—but he was the biggest box-office attraction in Italy, and he specialized in playing virile, romantic and often melancholic loners. "From the beginning, he was the only star not in question," recalls Associate Director Majano. "He guaranteed the success of the film. He was the biggest star in Italy."

To play Kira, Alessandrini chose Alida Valli, a young and strikingly beautiful actress, who had already starred in several films. To play Leo, the third leg of the triangle, Alessandrini chose the youthful Rossano Brazzi, a relative unknown making only his second film.<sup>13</sup>

Corrado Alvaro and Orio Vergani, two well known novelists, were hired to prepare the script, Alessandrini and Majano went off to Africa to shoot another film. Upon their return they had a major crisis: "We came back and found the script was a mess!" recalls Majano. "They didn't think an engineering student would be interesting to the public, so they made [Kira] a ballerina! And she didn't go to bed with Andrei! We threw [the script] out and started from scratch. But we were due to start the film. We had the shooting schedule set, the actors all lined up, we had to begin—absolutely!" Alvaro and Vergani were credited as screenwriters, even though, according to Majano, "they had nothing to do with the final script . . . Not a word they wrote was in there. All their ideas were taken out."

Alessandrini decided to film on schedule, and put Majano to work writing a new script as the film was shot. "I remember sitting on the set writing dialogue for the next day's shooting. My assistant would come in at seven each morning to make copies for the cast. There were no photocopiers."

This lack of a detailed working script has been exaggerated by some. Co-star Brazzi, for example, recalled in a 1986 interview, "We made the picture *without* a script—just following the book. Majano and Alessandrini wrote the day before, what we were going to do the day after." A recent article in *The Intellectual Activist* picked up on this piece of hyperbole: "He [Alessandrini] would work *without* a script . . . It turned out that this unorthodox method, despite the obvious problems it caused, yielded one overwhelming ben-

efit. It left little possibility for making changes and thus forced the film to mirror the novel (which rarely occurs in adaptations)."<sup>14</sup>

The notion of working each day from a script written the previous night is no doubt romantic. It is also absurd. Each day's shooting requires sets, costumes and actors; all must be arranged in advance. And there are divergences from the plot of the novel, some showing up quite early in the film, which could not have been managed unless a script of some sort was prepared in advance. Most likely, the story was outlined in considerable detail, with some of the dialogue left for Majano to prepare at the last moment.

Duncan Scott, who edited the American edition of the film, agrees that



Leonard McCombe, Life Magazine © 1947, 1967

Ayn Rand, author of *We The Living*, 1947.

the notion of working from the novel with no script has been exaggerated. "What hasn't been mentioned is that not all the script was prepared this way, because it doesn't sound as interesting," he said in a recent interview. "But the fact that *any* of the script was written that way is extraordinary. For pages of dialogue to be written the day before they are shot is very unusual, even if it wasn't done consistently throughout the production, which as you have figured out, didn't happen."

As the result of the lack of a detailed script, "there was a certain sloppiness to the film," Scott added. "It showed signs of being put together in a big hurry. [In editing it for American exhibition] we

went to considerable lengths to smooth it out and tighten it up."

Even so, as a result of the lack of a detailed script prepared well in advance, "it was quite difficult to change all but a few, small things. Not the conception of the story," as Brazzi pointed out. As Henry Mark Holzer, co-producer of the subtitled version, noted "They made every scene in the book." As a result, the finished film follows the book far more closely than most film versions of novels.<sup>15</sup>

Not surprisingly, the film ran long. "We were writing the film and shooting it at the same time. We kept shooting and shooting and we found ourselves with over five hours of material that had been shot," Anton Majano remembers. "I was called in by the head of Scalera Films. I told him all the material was good and could be edited into the film. Alessandrini suggested that we make it into two films, which were titled *Noi Vivi* and *Addio Kira*." *Noi Vivi* ends at the same point Part I of Rand's novel ends. There is an intermission at this point in the American subtitled version.

At first, the decision to make two films was kept secret from the actors, who were being paid for a single picture and were upset at the long hours and strenuous shooting schedule. "They had a contract for *one* film," Majano recalled, "so the head of the studio said, 'We have to keep it a secret that we're going to release it as two films, because if the actors find out they're going to want to be paid double.'"

But the film took four and a half months to shoot; according to Brazzi, the shooting schedule sometimes lasted from "8:30 in the morning till 11:00 or 11:30 at night." "Somebody in the cutting room finally tipped off the actors," Majano recalls. "So they went to Scalera [the studio head] and asked for more money and he said no. Alida was so furious she walked out and started work on another film." "We ran away from the studio," Brazzi said. "They couldn't find us." Eventually the studio settled with their stars, though not, according to Majano, for the full amount.<sup>16</sup>

There is some controversy over when the decision to exhibit *Noi Vivi* as two separate films was actually made. Alessandrini, in an interview in 1973, claims that the decision was not made until after the Venice Film Festival.<sup>17</sup> Brazzi's 1986 recollection of his and

Valli's walkout makes no suggestion that the actors walked out because they were upset by their being conned into doing two films for the price of one, thereby seeming to support Alessandrini's account better than Majano's.<sup>18</sup> In a 1973 interview, Brazzi claims that the decision to exhibit it as two separate films was made midway through shooting, which is supported by Giachetti's claim that with the story not yet half shot and more than two hours of finished film prepared, the stu-

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*"Look, I am not doing any favors for anyone," Giachetti told Mussolini. "If I don't find in the film the Andrei of the novel as we have already completely established and signed a contract, I won't make the film." Thus ended the first attempt to censor We The Living.*

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dio stopped shooting for 15 days, before it made the decision at his suggestion to exhibit *Noi Vivi* in two parts.<sup>19</sup> And legal counsel Massimo Ferrara claims it was planned as two films from the beginning of the project.<sup>20</sup>

Because of the war, location shooting was out of the question. So the entire film was shot indoors at the Scalera studios. Sets were built to recreate city scenes, the deck of a ship, a train station, a crowded public marketplace, even a snow covered street with a horse-drawn sleigh. "It was quite *robusto*. All the big Russian sets made the budget expensive," Majano recalls.

Shooting indoors in the Roman summer, the heat was a problem. "There was a lot of perspiration because inside it was 140° and you had to show the people that you were cold . . . it was a terrible job for the make-up men, the perspiration," Rossano Brazzi recalls with considerable exaggeration.

Many of the extras used in the film were Russian exiles, adding to the film's realism. "We had nearly the entire White Russian community then living in Rome. Among them were Countesses, Counts and Russian nobility," Anton Majano recalls. "The first day they arrived on the set, the production person was shouting at them,

'Come on, get over here! Stand there! Get that smile off your face!' and all that, and they were Countesses and Princes! I went over to the production man and said, 'I'll handle these people,' because I realized who they were." Later, in a crowded market scene in which Russians were trading their valuables for necessities, the extras enhanced the film's authenticity by providing icons and crosses made of gold and silver.<sup>21</sup>

The first attempt at substantial censorship of the film occurred before the camera began to roll. The character Andrei was entirely too sympathetic, and the Fascists wanted his role reduced. Giachetti tells the story in a 1973 interview:

For *Noi Vivi* and *Addio, Kira* I had signed a contract based on the novel because this Andrei interested me to an exceptional degree. But later I was sent for to come to Scalera on Saturday. In addition to Scalera, Vittorio Mussolini was present, whom I did not know in any character, either as organizer or as participant with Scalera. I did not know for what reason, but I was certain that this errand was important.

"We are beginning to shoot this film on Thursday," Mussolini the son said to me. And he asked me as a personal favor to renounce that which Andrei is in the novel because for political reasons they have to reduce his role.

"Your personality is such, artistically," he says to me, "that even participating in a film in which you are not the principal actor will lose you nothing."

And I responded, "Look, I am not doing favors for anyone. My artistic personality I have with me and consequently if I don't find in the film the Andrei of the novel as we have already completely established and signed a contract, I won't make the film." And it was Vittorio Mussolini, mind you, to whom I responded.

I went home and an hour or more later the lawyer Monaco telephoned me. He was then a director of the cinema. He said to me, "You are still crazy. This time you have refused Vittorio Mussolini?" "Listen, please don't worry about me," I said. "I do and say whatever pleases me to do and say and the consequences will affect me and not you, so leave me in peace and don't bother me." And that is just how I answered him—in my way—and I slammed down the



telephone.

An hour and a half or more later he telephoned me and said to me, "Listen, the Minister expects you at the Ministry tomorrow at ten. He needs to talk to you." "All right, I'll be at the Ministry at 10."

In fact, I was at the Ministry at ten precisely. The Minister was Pavolini and he came to greet me cordially. Very gentlemanly he said, "Giachetti, I am going to ask you for a favor." I interrupted him and said, "My dear Excellency, I already know the favor that you need to ask of me. In consequence, in order not to place me in the position of refusing you, I beg you not to ask it of me." He smiled (because he was an intelligent person). And then he said, "But why?" "Because," I responded. "Excellency, I have signed a contract. And Andrei pleases me because he is an idealist and is not only a communist, conceivably he is a Christian, conceivably he respects (and why not?) even your program of 1919." "But look," he said, "I am afraid in a third rate theater, seeing this character, the public will applaud, and that would bother me." I said, "My excellency, if I play Andrei as he is written in the novel, my modest artistic ability will do everything to receive, not to lose this applause." He laughed, then he said to me, "All right, then you're really not agreeable? Then let me think and later I'll tell you something."

In conclusion, the next day they telephoned me from Scalerà that I could start to make the film as it was written in the novel.<sup>22</sup>

So ended, apparently, the first attempt to change the story significantly to fit the Fascist view of things. Giachetti's story is significant in other ways as well: it illustrates the influence Giachetti was able to wield as the result of his star status, and it indicates that Vittorio Mussolini played a larger role in the film that might be inferred from Ferrara's account quoted above.

One obvious, though minor, change from Rand's story was incorporated most likely without the slightest controversy. Kira's sister Lydia is portrayed in the film as a rather normal girl who loves the piano.<sup>23</sup> This contrasts sharply with the novel, in which Lydia was portrayed as a devoutly religious person whose religious beliefs were irrelevant to the crisis they all faced; Rand used her character as a direct attack on religion. Needless to say, Rand's anti-religious view was not palatable to

Italians of that era.

Anton Majano remembers what happened when the order came to take the unfinished film to the Ministry of Popular Culture for a screening, "We rushed to the editing room and spent all day cutting out the dangerous scenes—all the anti-Fascist scenes—for that screening. That night it looked like an inquisition. They kept asking, 'Is that all there is? Is that it?'" The objectionable scenes were Andrei's denunciation of communism at his purge trial and a scene in which Leo falls into the classic Catch-22 of "No union card, no job. No



Alida Valli as Kira Argounova, heroine of *Noi Vivi*.

job, no union card."<sup>24</sup> (Coincidentally, Rand would also object to one of these scenes when editing the film 25 years later, though on vastly different grounds.)

But the scenes were restored and the long and arduous shooting schedule and editing process were completed only one day before their opening at the Venice Film Festival on September 15, 1942. "For five days we had been taking pills to stay awake and when we finally got on the train, it was the last thing I remembered, I was so exhausted," Majano recalls.

At a press screening a few hours before the premiere at the Festival, a Fascist journalist noted the offending scenes and complained to the authorities. Again the two offending scenes were hastily cut. *Noi Vivi* won the Volpe cup at the Venice film festival, and began a very successful theatrical run in November, 1942. The offending scenes had again been restored prior to its theatrical run.<sup>25</sup>

(Interviews published in 1973 with three leading actors and the director of the film make no mention of such ideo-

logical cuts or their restoration.<sup>26</sup> It seems a bit absurd to imagine the authorities were fooled by so transparent a ruse, for which we have no evidence aside from Majano's interview.)

*Noi Vivi* was released in November, 1942. Not surprisingly, it left moviegoers anxious to see *Addio, Kira*, released a few weeks later, to learn how the story ends. "It was an enormous success, an incredible success," according to Majano. "Incredible! It was a big hit," Brazzi recalls. "People lined up at the Barbarini [Theatre in Rome] for three months." Brazzi may exaggerate, but it is plain that *Noi Vivi* proved at least sufficiently popular that its run continued past the release of *Addio, Kira*, which enabled film patrons to see the entire story in a day by watching *Noi Vivi* at one theater, followed by *Addio, Kira* at another.<sup>27</sup>

Just as the American public lined up to buy *Atlas Shrugged* in the 1950s while many American critics panned it on ideological grounds, so the wartime Italian public lined up to see the films, while many Italian critics panned them on ideological grounds. According to film historian Gian Piero Brunetta, "The film obtained a good success with the public but the critics did not deign to give it excessive attention. *Cinema* criticized it strongly in a significant manner upon the ground of its contents. In the magazine *Film*, an attempt to make it into a political lecture occurs without any ironic intention: 'In contrast to other hysterical interpretations of the Russian Revolution like *October* by Eisenstein or *The End of Petrograd* by Pudovkin, this film by Alessandrini appears civilized and Latinized. It misses the tension and the spasms of the popular convulsion originated in Asia and of Oriental sadism.' These are the voices of the militant intellectual Fascists that at the last period tried to imitate the style of Nazi propaganda."<sup>28</sup> The criticism of the film for its lack of sadism in its portrayal of the communists would recur later, when the film was shown in Germany.\*

The war continued. The political climate

\* The remainder of the review, not quoted by Brunetta, seems neither Fascistic nor critical of the film: "It was theatrically presented, more like the French Revolution and not the Russian. From Alessandrini we get a more modernized interpretation of the subject and his direction is done in a superb manner. The same is true of the acting, musical score and art direction. The film never lacked tension and interest between the first and

(cont next page)

in Rome was changing. The film approved by the Fascists because of its anti-communist message was seen by many Italians as a statement of anti-fascist sentiment, extolling the individual against the state.<sup>29</sup> Whether Mussolini was feeling threatened by growing opposition or simply wised up to the anti-authoritarian nature of the film, sometime in May, according to legal counsel Massimo Ferrara, *Noi Vivi* and *Addio, Kira* were banned:

Approximately six months after the successful release of *Noi Vivi* in Italy, I was notified at Scalera Studios of an injunction by the Secretariat of the National Fascist Party ordering the seizure of all materials. He further ordered a representative from Scalera to appear within 48 hours at a hearing before the Director of the Fascist Party at their Rome headquarters.

Mr Michele Scalera (who was still the Chairman of the Board) told me, "Massimo, you are not only the General Manager of the company, but also the author of this film production. You have to answer it."

I appeared at the hearing, where I heard what I already knew—that the two pictures were called by the public, "We the Deceased" and "Goodbye, Lira." I was accused of having intentionally made an anti-totalitarian propaganda film against a Fascist Regime that was responsible for waging a war against the wishes of the majority of Italians.

I stated that I was not responsible for Italian public sentiments. I had imagined *Noi Vivi* as a beautiful story of love. It was concluded, however, that I was guilty of anti-fascist propaganda and not deserving the honor of being a member of the Fascist Party. I was also deemed not worthy of being a university lecturer and a member of Scalera Films management.<sup>30</sup>

Ferrara was ordered to turn in all prints and negatives of the film so that they could be destroyed. Ferrara decided to save the master negative and substitute the negative of a different film, hoping that the authorities wouldn't notice the switch. Franco Magli, the film's production manager, hid the master negative in his home.<sup>31</sup>

This is Ferrara's story, as he told it in 1986.

second part of this very long story concerning the parallel love affairs of Kira towards the two men. Alessandrini made this film an extremely interesting experience. A drama of love and hate is represented in the most intimate manner in the film, without creating a melodrama. Alida Valli is well photographed as the heroine of this monumental film. She is emotionally controlled, sensual, very cool and highly dramatic. She is perfect for the role of Kira. Fosco Giachetti as Andrei gives a superb interpretation to this difficult role. Rossano Brazzi as Leo gives a human touch to his part.<sup>33</sup>

In his book *Who Is Ayn Rand?* (1961), Nathaniel Branden, Rand's close personal colleague, told a similar story:

Alida Valli and Rossano Brazzi played the parts of Kira and Leo, and it was they who, years later, in Hollywood related to Ayn Rand the following story: When the picture first appeared in theaters, it was an instantaneous success. People flocked to see it with an interest and enthusiasm far in excess of what the government had expected. Within a few months, the government ordered the picture withdrawn from circulation and forbade its further exhibition. Some official finally had gotten the point . . .<sup>32</sup>



Fosco Giachetti as Andrei Taganov, the idealistic communist secret policeman who falls in love with Kira.

Branden's point in relating this story is to illustrate how profoundly anti-totalitarian Rand's novel was, anti-totalitarian in a way that at first the Fascists could not understand.

As nearly as I can determine, that is all the evidence that exists for the proposition that the film was banned by the Fascist government: the claim of Massimo Ferrara, Scalera's legal counsel, and Branden's hearsay report that he heard of the ban from Rand who had heard of it from Valli and Brazzi.

There is, however, considerable evi-

dence that the films were not banned.

1. Edward Tannenbaum, in *The Fascist Experience: 1922-1945*, claims that "No Italian made film was ever suppressed entirely but many scenes were edited by order of this office [The Ministry of Popular Culture]."<sup>34</sup>

2. In *Cinecittà Anni Trenta*, a three-volume set of interviews with prominent Italian film industry figures during the period, including Alessandrini, Giachetti, Brazzi, and Emilio Cigoli (who played Syerov in the film), there was no mention of any ban, although the interviews were far-reaching and discussed *Noi Vivi* in considerable detail. It seems likely if *Noi Vivi* had been banned, the banning would have been noted, especially considering the fact that such a ban would have been unique (or nearly unique) in Fascist Italy.

3. Nor was there mention of any ban of *Noi Vivi* in any of the approximately two dozen references on Italian cinema consulted in preparation of this article.

4. In contradiction to Branden's report of Rand's account of what Brazzi had told her, Brazzi was emphatic that the films were never banned by the Fascists in his 1986 interview with Duncan Scott:

Question: We understand the Fascists stopped the movie during its run.

Brazzi: No, no. After the war it was stopped. They never showed it again because of Ayn Rand.

Question: It wasn't stopped by the Fascists?

Brazzi: No.

5. Despite the fact that he left Rome four months after the film was allegedly banned, Majano knew nothing of the ban. In response to Duncan Scott's question about the film's banning, Anton Majano responded, "I don't know that it was pulled from the theaters. I wasn't able to follow what was happening because when the Germans came in to occupy Rome, Alessandrini and I got out. I left in September, 1943."

6. Attempts by Peter Herzog, the distributor of the American subtitled version, to verify that the film was banned came to naught. Herzog called Cinematec, the Italian film archive, and asked about the ban. They told him that the films had not been banned. He asked the son of Renzo Rossellini, who wrote the film's score, to investigate to see whether the films had been banned. Two weeks later the younger Rossellini

replied that he had found no indication that the films had been banned.<sup>35</sup>

The preponderance of evidence pretty clearly shows that the films were never banned. Had they been banned, it would have been a highly unusual event, one which would be related by the principals in their discussions of the films, or discussed in at least some of the references to the films in histories of Italian cinema, or known to the Italian film archivists, or remembered by someone other than Ferrara, whose testimony is frequently incredible.

When I summarized the indications that the film had never been banned and read the foregoing paragraph to Erika Holzer, co-producer of the American subtitled version of the film, she was at first incredulous, then commented:

I don't think that with the sources you have that you can say [that it is] "overwhelmingly unlikely" [that it was banned]. I think . . . there's evidence on both sides, and that Ayn [Rand] was certainly under the impression [that it was banned] all her life. That's what your readers are more interested in anyway and it... may or may not be true! But a lot of people believe it . . . There's evidence on both sides and after all we've heard it doesn't really make much difference. It certainly created an awful lot of anti-fascist sentiment at the time.

Even so, I remain convinced that the film was never banned by the Fascists. As to the origin of the myth that it was banned, I believe there are three possible explanations:

(1) It was fabricated by Brazzi and Valli, who for some reason decided to tell it to Rand; or

(2) It was fabricated, consciously or unconsciously, by Rand herself, who might benefit from the belief that the novel was so profoundly anti-totalitarian that it could not be tolerated in Fascist Italy; or

(3) It was the result of a misunderstanding between Rand and Brazzi or Valli or both, perhaps aggravated by language difficulties.

I shall leave it to the reader to form his own conclusions, or to make his own speculations.

Sometime in early 1943, Ferrara says, he took a print of the film to Berlin to show it to Joseph Goebbels, the Nazi minister of propaganda, in hope of obtaining permission to exhibit the film in Nazi

Germany:

In Berlin, I had the opportunity to screen the picture at the house of Dr Goebbels, the German Minister of Propaganda. Goebbel's reaction was negative, because he considered the treatment of the Soviets as "too mild" compared to the German style of filmmaking, depicting the Russians as "outright animals."<sup>36</sup>

"Andrei was downright sympathetic," Duncan Scott comments, "and the other communists were not portrayed as the outright animals as he thought they should always be portrayed. [It was] ironic that an Ayn Rand work should be accused of being soft on communism."

Ferrara's story is supported, to some extent, by a brief mention of the movie in *Film in the Third Reich*, by David S. Hall. After listing films whose import into the Third Reich was banned, and discussing the reasons for the bans, Hall noted, "Some were excluded on more general philosophical grounds, such as the Italian-produced *We The Living*, based on the book by the American novelist Ayn Rand."<sup>37</sup>

Peter Herzog, distributor of the film, finds the story entirely credible:

It was not shown in Germany because the whole film was not anti-communist enough. I lived in Europe in the time of the Nazi period, and the anti-communist films I saw there were much more brutally done than this. The communists are not represented in this film like animals, they were represented like people. The GPU leader suddenly decided to fall in love with this girl and to leave the country with her for love!

Even so, there is reason to doubt Ferrara's story. Nearly all of Goebbels' unusually detailed diaries from this period have been published, and there is no mention of either *Noi Vivi* or Ferrara in *The Goebbels Diaries: 1942-1943*.<sup>38</sup> However, it should be noted that Goebbels diaries from this period are not complete.

Alida Valli and Rossano Brazzi dropped out of films shortly after finishing *Noi Vivi* and *Addio, Kira*. Valli married Oscar de Mejo, composer of "All I Want for Christmas Is My Two Front Teeth."<sup>39</sup>

The Allies invaded Sicily on July 10, 1943. Two weeks later Mussolini resigned; a new government formed by Pietro Badoglio ordered Mussolini arrested. When the Allies invaded the

Italian mainland on September 3, the new government declared its unconditional surrender. A week later, the German Army took control of Rome; on September 12, Mussolini was rescued by German paratroopers. On September 23, Mussolini, proclaimed a "Republican Fascist" government. Majano and Alessandrini fled the Germans; they feared reprisals from the Germans for their participation in anti-Fascist demonstrations. They returned a year later in the wake of the Allied invasion.

After the war, Majano, Alessandrini and Ferrara renewed their careers in the film industry.<sup>40</sup> Brazzi enjoyed considerable success as a leading man and then a character actor both in the U.S. and Europe; *The Barefoot Contessa* (1954) and *South Pacific* (1958) are among his more memorable films. As recently as 1986, he appeared in a recurring role in the television series *Dynasty*.<sup>41</sup> Valli's career since *Noi Vivi* has been a stormy one: Brazzi says her career in America was ruined by her indulgence in an injudicious love affair which caused her to break an agreement to appear in *Five Fingers* in 1952;<sup>42</sup> *The Film Encyclopedia*

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*The overwhelming preponderance of evidence indicates that, contrary to the claims of Ayn Rand and the producers of the subtitled version, We The Living was never banned by the Fascists.*

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reports her career in Italy was set back in 1954 by "her involvement in a drug, sex, and murder scandal of the 'dolce vita' variety."<sup>43</sup> Perhaps her most memorable roles to American audiences are in Alfred Hitchcock's *The Paradine Case* (1948) and in *The Third Man* (1949). Her most recent role in a U.S. film was in *The Cassandra Crossing* (1978). She remains active in films and theater in Italy. Goffredo Alessandrini directed a few films after the war, his last in 1952. He died in Rome in 1978.<sup>44</sup> Fosco Giachetti continued in films, though no longer as a leading man, until his death in 1974.<sup>45</sup>

The production company, Scalera Films, went bankrupt shortly after the war ended, according to Duncan Scott, and its assets were sold off. Since it did

not own the literary rights to *Noi Vivi* or *Addio, Kira*, prints from the master negative that Ferrara had saved could not be exhibited, so the master negative had no commercial value. Along with other vintage films it was sold; before long its exact whereabouts were lost.<sup>46</sup>

Ayn Rand first saw *Noi Vivi* and *Addio, Kira* most likely in 1948 or 1949, but certainly sometime between 1948 when she met Brazzi and 1951 when she moved to New York. Rossano Brazzi showed her a print he had brought with him when he came to the United States. "She was very much against Scalera, because he was able to get the rights to the book [without her permission]. But when she saw the picture, she changed her mind. And I know that Massimo Ferrara, his lawyer, started to deal with her. But she was very upset, because she got an offer, I think, from MGM to re-make the picture. Then she didn't know what she wanted to do, make a new version or not."

Brazzi remembers Rand fondly:

I met her in 1948, when I first got over to the United States . . . She didn't go anyplace. There was an actor, Jack Oakie, I think, and he knew Ayn Rand—they met through his wife. Ayn knew that this Rossano Brazzi was in *Noi Vivi*, because she had already started this fight with Scalera. So she asked [Oakie, to introduce me to her], and one night we went for dinner over there, in the [San Fernando] Valley. And she liked my wife, she liked me. And she loved Italian spaghetti. At that time, the food was terrible in California. One day she called, and she came over for dinner. And we became, I would say, very good friends.

She was a funny woman, very strong. Difficult woman. She was . . . bisexual. She loved women. One night she drank a little . . . [Brazzi laughed] . . . But she looked a little bit like a man, you know, strong. But [a] wonderful woman. What a mind!

She liked me and she used to call me at eight o'clock in the morning. Just to talk and, you know, for dinner: "Are you going to cook spaghetti?" That was the time my wife used to go with Ronald Reagan downtown to buy spaghetti . . . [Brazzi laughed] . . .

Sometime between 1950 and 1955, Ayn Rand received a settlement of \$35,000 from the Italian government for the unauthorized use of her literary

property. Apparently still angry about the unauthorized use of her story, she decided to spend her settlement as frivolously as she could—buying a mink coat with part of it, for example.<sup>47</sup>

However angry Rand was at the unauthorized use of her story, her hostility did not influence her evaluation of the film. "Ayn was thrilled with it," Rand's friend Erika Holzer said. "She told us that she liked this movie better than *The*

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*"I've done 250 pictures as a leading man," says Rossano Brazzi, sitting in his office in Rome in 1986. "I've saved prints of maybe three or four for myself. Noi Vivi is one of those pictures. That was a good moment for Italy—for pictures . . ."*

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*Fountainhead*, even though she herself had written the screenplay for *The Fountainhead*. She thought that it is a much more stylistically creative picture." Brazzi concurred, according to Majano: "Brazzi told me that . . . he took a copy of the two films to America. There was a screening with Ayn Rand present. Even though she was furious, she said that in Hollywood they would not have done an adaptation that was as good as ours."

She was also very much impressed by Alida Valli's portrayal of Kira: "She loved Alida in the picture," Brazzi noted. "When Ayn Rand saw the picture, she could not believe the acting job that Alida Valli did." Erika Holzer agrees: "Ayn just loved Valli. She played the part perfectly." Barbara Branden recalls "She was really thrilled with Valli. She was wonderful, both in physical appearance and in her acting." Brazzi could even see Rand's personality in Valli: "But, Alida, she was a little bit like Ayn Rand, you know . . ." "Alida was very much in love with her character," Majano recalls.

In 1951 Rand moved from California to New York, never to return. She lost touch with Brazzi. Rand had obtained a print of the films, either from Brazzi or from the Italian producers as a part of her settlement. But Rand had never been a very well organized person, and somehow she had lost it.<sup>48</sup> Over the next years

she made several attempts to locate a print of the film, but none panned out.<sup>49</sup>

*The Fountainhead*, published in 1943, had established Rand as a best-selling novelist and gained her a small, but enthusiastic following. *Atlas Shrugged*, published in 1957, was even more successful; its strongly rationalistic and pro-free enterprise views had gained her a large and fanatical following. She had christened her philosophy "Objectivism."

In 1959, Rand published a revised edition of *We The Living*, which not surprisingly sold much better than the first edition. In 1960, a paperback edition was published; more than 400,000 copies were printed during that year alone.<sup>50</sup>

In 1963, two admirers of Rand's novels, Henry Mark Holzer and his wife Erika Holzer, both attorneys, were introduced to Rand by Henry Hazlitt. In 1966 Rand told the Holzers, now her attorneys, about the Italian film version of the novel. Rand was convinced it was lost forever. The Holzers decided to make a concerted effort to find copies of *Noi Vivi* and *Addio, Kira*. They began by asking official Italian agencies. Although no one knew where they could find an actual copy of the films, nearly all had heard of them and many remembered seeing the films.

The Holzers approached Brazzi and Valli, but got nowhere. They tried the State Department, which had negotiated the settlement for the unauthorized use of the novel. That was a dead end as well. Inquiries within the movie industry in Hollywood also failed.<sup>51</sup> Duncan Scott and Erika Holzer describe what happened next:

It became apparent that the one lead worth pursuing was the labyrinthine aftermath of Scalera's business affairs. Now the search took the Holzers through the byzantine Italian legal system and into World War Two era corporate records, a seemingly endless series of brokers, "finders," "expeditors," and just plain con men.

The search ended with two Romans who represented a foreign business entity which owned dozens of vintage Italian films. Among them was *Noi Vivi* and *Addio, Kira*. In the summer of 1968, the Holzers flew to Rome, hired an interpreter, and started negotiating for a film which they had not yet had an opportunity to see.<sup>52</sup>

They met with the men who claimed to have a print of the film. "There is just Hank and me and the translator," Erika Holzer recalls. "We don't know at this point whether these guys are full of baloney or not, whether what they say is true, whether what they've got is nothing." So they insisted on seeing a print of the film before proceeding with negotiations.

They were driven through the steamy heat of the Roman summer to a screening room. When they reached their destination, one of the men opened the trunk of the car and produced a reel of film. The Holzers were shocked: they had bounced through Rome's chaotic streets with a reel of nitrate based film—which is highly flammable, almost explosive—in the trunk of their car.

In an interview in August 1988, Erika Holzer describes what happened next:

We walk into this place, and they put this thing up on the screen. It was the climax for us of years . . . It was the student election scene, with Kira and Andrei . . . I just burst into tears and Hank was stupefied, because the quality of the film was extremely good . . . the quality of this film was just gorgeous. I couldn't believe it, it was such a dramatic moment . . . here at last was this lost film! I remember we toasted Ayn from our balcony of the Parco de Principe Hotel that night.

The businessmen had both a print and the negative of both *Noi Vivi* and *Addio, Kira*, plus various ancillary materials, including an English translation of the script and trailers for the films. The Holzers bought them all.\* They had the nitrate negative copied to safety stock and the nitrate originals destroyed, and headed back to New York. They were hassled by customs because the duplicates still contained the notation from the original film that they were made of nitrate stock.<sup>53</sup> But no matter. They had found the long lost film of *We The Living*!

In the "Objectivist Calendar" pub-

\* The Holzers later came to believe, according to Duncan Scott, that they had obtained the same master negative that Ferrara claims to have saved from the Fascists.<sup>54</sup>

lished in *The Objectivist* (dated May 1968, but published in September) there appeared a small announcement:

The film version of Ayn Rand's novel *We The Living*, starring Alida Valli and Rossano Brazzi, produced (without authorization) in Italy in 1942, has been found and purchased by Henry Mark Holzer on behalf of a company soon to be formed. An English-dialogue version of the movie, to be edited under the supervision of Miss Rand, will be released by Mr Holzer late next year.<sup>55</sup>

The Holzers had obtained the original negative of the film. And Rand was willing to grant them the literary rights, which would enable them to exhibit it.

Erika Holzer and Duncan Scott claim in a press release that the copy the Holzers obtained was "the only print known to exist," but in this they are clearly mistaken. Other copies are readily available in Italy, despite the apparent difficulty the Holzers had encountered in obtaining a copy.

Brazzi, for one, claims in a 1986 interview to possess a copy, and Francesco Savio, in his 1973 interview with Alessandrini claims to have recently viewed the film.<sup>56</sup> When Peter Herzog asked Cinematec, the Italian film archive, about the films, he was referred to an official who could provide a copy of the films. The public library in Sienna, according to Herzog, has a videotape copy (published by Logos) of the film available to library patrons. Peter

an interesting issue. The 1952 re-release and the videotape version would be illegal unless Rand had sold or otherwise assigned literary rights to the story.

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*"We didn't know if these guys were full of baloney or not," Erika Holzer remembers. "We walked into the place, and they put this thing up on the screen. It was the student election scene, with Kira and Andrei. I just burst into tears." After their long search the Holzers had found We The Living!*

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According to Henry Mark Holzer, Rand's postwar settlement with the Italian government was only for damages for using her literary property; it did not include any permission to further use the property by further exhibition of the film.<sup>58</sup> Rand's biographer and friend Barbara Branden takes the same view.<sup>59</sup>

Erika Holzer is absolutely convinced that the videotape and any post-1945 release of *Noi Vivi* in Italy are illegal:

It doesn't matter how many prints are out there. They're bootleg in the sense that no matter how they were acquired . . . nobody has the legal right unless [they acquired the literary rights from Ayn Rand] . . . And believe me, she gave nobody those rights. Hank [Holzer] was her lawyer for a number of years and he knew everything about her legal affairs intimately.

When Duncan Scott saw that announcement in *The Objectivist*, his heart raced. He had seen Ayn Rand as a guest on the Tonight

Show on August 11, 1967, and was fascinated by what she said. The next day, he had purchased a copy of *The Virtue of Selfishness*, a collection of Rand's essays on ethics. He read it and was impressed. Within the year, he had read all Rand's books, enrolled in courses on her thinking at the Nathaniel Branden Institute,



"What is your price?," asks fugitive aristocrat Leo Kovalensky (Rossano Brazzi), who mistakes Kira for a prostitute upon first meeting her.

Herzog's telephone call to Cinematec revealed another intriguing bit of information: *Noi Vivi*, he was told, was re-released for general exhibition again in 1952.<sup>57</sup>

The information Herzog obtained has not been corroborated by other sources. If it is true, however, it raises



and subscribed to *The Objectivist*.<sup>60</sup>

Scott was a film editor, which heightened his interest in the film version of *We The Living*. "I had never met him [Holzer] or talked to him," Scott remembers. "But I [decided to] write him a letter, [telling him] that I'm interested in Objectivism and Ayn Rand's work, and that I'd love to work on the movie if he didn't already have someone for that position. So I sent him a letter expecting it was highly unlikely that anything would come of it. It was some time later that he wrote a letter back to me saying that he was interested in meeting me. We [met and] talked about my background, and sure enough I ended up working on the film with him . . ." Henry Holzer recalls, "He was a very young guy at the lectures and he was just getting into film editing and when he heard I had the film he came and [asked whether] he could be involved in it."

Early in 1969, Scott, the Holzers and Rand met to view the films. In one marathon session, the four of them watched the films on a movieola (an editing device).<sup>61</sup> "We ran the movie with Ayn Rand, with myself and Hank and Erika looking at each scene and making careful notes of any changes or deletions to be made," Duncan Scott recalls. "After viewing each ten-minute reel of film and making notes on the proposed edits, the film was rewound and another reel loaded."

Rand surprised Scott with her skill as an editor. "I was struck [that there was] no time lag at all involved in [her] seeing a scene and knowing exactly what needed to be done with it. That surprised me because being a film editor . . . is a very specialized field [requiring] familiar[ity] with manipulating time, as you can do in film . . . it's not something that [most people can] pick up on right away."

The dialogue caused some problems. The film was adapted from a translation of a novel that Rand had since revised. The translation and adaptation had been done in Fascist Italy, whose authoritarian political values were inimical to Rand's. Not surprisingly, changes—some gross and some subtle—had crept in. Naturally Rand wanted a film that remained as true to her novel as possible.<sup>62</sup>

"There were a few points where she wanted a whole scene cut because she was unhappy with certain dialogue," Scott recalls. "Several times we had conversations where I [told] her that we

can eliminate [certain] dialogue without eliminating the whole scene. At that long screening we got the basic agreement of what dialogue, what action or what sequences she wanted removed or changed, but we didn't describe the exact way we would eliminate those things, just the general principle that those particulars would be changed or removed."

Rand wanted to dub the film rather than subtitle it. In the novel, she had been very specific about the kind of music that Kira liked: "The light tunes of casinos and beer gardens sung all over Europe by girls with sparkling eyes and swaying hips had a significance for Kira that no one else ever attached to them. She heard in them a profound joy of life . . ."; "quick fine notes exploded as if the trembling chords could not hold them, as if a pair of defiant legs were kicking crystal goblets." "Andre, ask them to play something for me, some-

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*The Holzers are clearly mistaken in their claim that they had obtained the "only print known to exist"—other copies exist and are available in Italy.*

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thing I like. It's called the *Song of Broken Glass*.' He watched her as the music burst out again, splattering sparks of sound. It was the gayest music he had ever heard . . ."<sup>63</sup> Rand was reflecting her own taste for what she called "tidilywink" music—American and German light classics like "Yippy Yi Yippy Yi Yay" and "It's a Long Way to Tipperary." So there was no surprise that she was unhappy with Renzo Rossellini's dramatic, serious musical score, with its lush orchestrations and full complement of strings.

"There was discussion at the time of several problems with dubbing," Duncan Scott remembers. "The most serious problem with the dubbing is that the separate sound tracks of the music no longer existed. When movies are made, you start out with a separate music track, a separate sound effects track and a separate dialogue track. Only when [the film] is finished do they combine the sound tracks . . . When dubbed movies are made, they [use] the separate music and sound effect tracks and

create a new dialogue track which [is] then dubbed in. There is really no way to dub a movie without the separate tracks, [unless you] recreate [all the sound] that was . . . in the movie. The cost of that alone [was prohibitive; it] would mean that the whole project would have to be cancelled."

These considerations convinced Rand that the film should be subtitled rather than dubbed, although Scott had another reason to subtitle rather than dub. He wanted the film to be taken seriously as a work of art. "Dubbed films are not being released in America anymore, and they haven't [been] for a number of years."

The final scene of the novel in which Kira is shot by a border guard and left to bleed to death in the snow ("Just a rabbit, most likely," the guard mutters in the novel) was cut entirely. "We all hated it, starting with Ayn on down," Erika Holzer remembers. "They tried to be true to the book, but it was awkwardly done, it was ugly . . . [Kira] looked awful . . . stumbling around in the snow . . . It seemed abrupt . . . a real downer without being a classy downer, you know?" Duncan Scott concurred: "The ending was a brief, thirty-second scene. You quickly see Kira on a set with a phony-looking snowbank, and then she is abruptly shot. It is a false and senseless ending." So they decided to conclude the film with the previous scene, of Kira returning to the garden where she had first met Leo and remembered the day she had met him.

This pleased Erika Holzer immensely. "Quite frankly, I have never liked that scene in the novel," she recalls, "so I was thrilled when she wanted to cut it. It's just drawn out agony, and I don't like it. It's not that one has to have a happy ending . . . I just can't read it."

Scott proceeded with the bulk of the editing shortly after this single session with Rand. "At least 80% of the changes she wanted were done [shortly] after the screening with her," Scott says. "The movie basically got most of its restructuring done 18-19 years ago." But there remained "a few sequences where it was . . . hard for us to make the changes, because we didn't have any additional material to work with."

But Rand did no more work on the film, perhaps because of the continued unhappiness that characterized her later years. Unable or unwilling to carry on any major work as a creative writer, disappointed in her romantic affairs, in-

creasingly distant from friends and colleagues, she may not have had the energy and drive to complete the project. Her personal relationships during this unhappy period continued to deteriorate. In 1970, she broke off relations with the Holzers.<sup>64</sup> Even so, according to Scott, "She had said to the Holzers on a number of occasions that she would [continue] work on this movie at some future point . . . It seemed it was going to be a fairly brief delay when we first discussed it . . . but what started out seeming like a few weeks or a few months turned into a year or two and then it became apparent that this could be indefinite."

Although Scott and the Holzers would have liked to proceed with the project, they viewed Rand's cooperation as essential. "[Henry Mark Holzer] and I discussed this," Scott recalls. "He certainly wasn't going to proceed without her involvement. It would be particularly ironic—not to say immoral—for him to proceed without her, especially given the history of the movie . . . So we sat on it."

It occurred to the Holzers that if they dropped out of active participation in the process, Rand might be willing to continue work. "I approached Hank [Holzer and suggested] this process could be moved along if as a disinterested party—in terms of their falling out—I approached Ayn Rand directly about proceeding with the project . . . And with Hank's permission, I wrote Rand directly, asking her if there was any way we could continue the project, reminding her that she had felt it was worthwhile at the time, telling her that we were very near to having completed all the changes that she was looking for and so forth. She never answered any of the letters."

So the Holzers put the film in storage. And there it stayed.

Ayn Rand died on March 6, 1982. With her death, the literary rights to *We The Living*, needed to exhibit the film, passed to Leonard Peikoff, Rand's intellectual and material heir.<sup>65</sup>

In April of 1982, the Holzers accidentally met Leonard Peikoff at an investment advisory conference in Bermuda. Peikoff was there promoting his book *The Ominous Parallels*; Henry

Mark Holzer was there as a speaker on the changing legal status of gold ownership. Although they had been friends prior to the Holzers' break with Rand, they had not communicated since. Their conversations were amiable. Not long after, Peikoff inquired about the status of the film, and expressed an interest in seeing the film released. A deal was completed. Duncan Scott again began work on the film.<sup>66</sup>

Scott's professional status had grown considerably since the project had begun. He was an assistant director with Woody Allen on *Zelig* and *A Midsummer Night's Sex Comedy*, with Bruce Malmouth on *Nighthawks*, and on



Andrei wonders about Kira's relationship to Leo when the love triangle accidentally meets at a party.

the television movie *Bill*, and he had done considerable television documentary work. (He has since won two Emmy's for his work as producer of PBS' highly acclaimed *Innovation* series.) He had progressed from film editor to owner of a production company.<sup>67</sup>

Not surprisingly, Duncan Scott's role on *We The Living* grew as well. The Holzers realized that there were many aspects of the project other than the editing of the film that needed to be handled, so the Holzers formed a partnership with him to finish the film.<sup>68</sup>

There was still much to be done. The dialogue presented a special problem. In the course of translating the novel into Italian and adapting it for the film, much of the impact of Rand's original had been lost. Rather than simply translating the film's dialogue to English, Duncan Scott and Erika Holzer (by now a successful novelist<sup>69</sup>) compared each line of dialogue with the 1959 edition of *We The Living* in preparing the subtitles for the film. It was a big job, requiring

more than 2000 subtitles.<sup>70</sup>

And there remained the vexing problem of the peculiar speech that Andrei Taganov gave at his purge trial, which included denunciations of the Soviets for selling out to "foreign capitalists" and other wholly un-Randian remarks. At first, the Holzers and Scott considered eliminating the scene altogether. There was a certain amount of sense to this: it was one of the few scenes in the film that was not in the book. But the scene was important to the plot; cutting it would present more problems than it would solve.

Scott proposed a solution: redubbing the entire scene. This required finding actors skilled in redubbing and fluent in Italian. Happily, such actors were readily available in Italy, where the dialogue of most feature films is dubbed by specialists. So in 1986, Scott went to Italy to take care of the dubbing. (While there, he interviewed several of the principals involved in the original production, including Anton Majano and Rossano Brazzi. Alida Valli rebuffed his approaches.)<sup>71</sup>

The redubbing was done, according to Henry Mark Holzer, "so that people in the audience who speak Italian will not read one thing and hear something else." But there are still problems with audiences bilingual in Italian and English, thanks to the subtitling of the remainder of the film to conform better to Rand's original dialogue. Peter Herzog explains:

[The subtitling] doesn't correspond with what they say in the film . . . Some journalists, important journalists in New York, who saw the film on screening, who speak Italian were very upset by it, that the English says one thing and the Italian says another.

Incidentally, in at least one case where the subtitles do not reflect the dialogue, the dialogue follows Rand's original (1936) version and the subtitles follow her revised (1959) edition. Andrei says to Kira, "I know what you're going to say. You're going to say that you admire our ideals, but loathe our methods." In the original novel, Kira responds, "I loathe your ideals. I admire your methods."<sup>72</sup> In the revised version of the novel, Kira responds simply, "I loathe your goals," without any

apparent admiration of Communist methods.<sup>73</sup> Kira's response in the soundtrack of the film is almost identical, "I hate your ideals. I respect your methods." But the subtitled reads simply, "I abhor your goals."<sup>74</sup>

As a finishing touch, the soundtrack was cleaned up by Dolby noise suppression and special laboratory processes were used to reduce the picture contrast. The film that the Holzers had found in Rome in 1968 had been trimmed from 260 minutes to 170 minutes, its plot tightened and Fascistic sentiments excised, its sound and picture quality restored.<sup>75</sup>

The film, edited in accordance with Ayn Rand's wishes, was ready for exhibition.

On Friday, August 29, 1986, at 10:15 pm in the Masonic Hall in Telluride, Colorado, *We The Living* was shown publicly for the first time in America. The Holzers and Scott chose the Telluride Film Festival for its American premiere because it "specializes in rare and special films. There are a lot of festivals around the world, but most of them feature commercial films. *We The Living* might get overlooked somewhere else."

The setting was appropriate in another way as well. Unbeknownst to the producers, Telluride is less than ten miles from Ouray, the location that Ayn Rand had used as the inspiration for "Galt's Gulch," the valley where the individualists who go on strike in *Atlas Shrugged* spend a month together each summer.\*

Rand had visited Ouray in the 1940s while planning *Atlas Shrugged*, and had fallen in love with the place. "It was an old mining settlement, circled by mountains; at the time, it had just one street of very old houses and a tiny motel. It was cut off from everything, very difficult of access in the winter. I'll never forget how beautiful it was. I'd like to go back." Ouray remains a beautiful place today, though it now has more than one motel; unlike most other Colorado mining towns, Ouray has never developed into a ski resort: the mountains surrounding the town are too steep.

Scott and the Holzers had another reason for exhibiting the film at the Telluride Festival: they hoped to find a

\* In her authoritative biography of Rand, Barbara Branden identifies Rand's inspiration for the valley as "Urey," an error that likely had its origin in the transcriptions of tape recorded interviews with Rand that Branden used as a primary resource for her biography.

distributor for the film. They were quite particular about the sort of distribution they wanted. "We wanted the same treatment, the same distribution and promotion efforts as a full-fledged foreign film. We did not want the movie to be just slipped into a few revival houses here and there."

Critics and viewers liked the film, but a distribution contract was not forthcoming. So the producers decided

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*At his purge trial, Andrei Taganov gave a peculiar speech, denouncing the Soviets for selling out to "foreign capitalists" and other wholly un-Randian sentiments.*

*Scott proposed a radical solution: redubbing the entire scene.*

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to show the film at other festivals. The response at the Miami Film Festival in February, 1987 was even more enthusiastic than at Telluride. "At intermission, the crowd went wild," Erika Holzer says, "coming up and grabbing our hands." The *Miami News* said, "They don't make 'em like this anymore . . . it's a colossal love story within a massive philosophical framework."<sup>76</sup> The *Miami Herald* took a few jabs at Rand, but praised the film as "a grand old Hollywood weeper. Get out the handkerchiefs."<sup>77</sup>

In September 1988, the film was shown at the Boston Film Festival. Again the critics liked the film. Boston critics called it "an absorbing, florid, often entertaining rediscovery . . . It plays like a cross between *Dr Zhivago* and *A Tale of Two Cities*, Italian style. There's nothing half-hearted about its melodrama." "A meaty, moving epic melodrama in the tissue drenching tradition of *Gone With The Wind* . . . one of the most exciting movies to come along in years."<sup>78</sup> *Variety* opined "it's hard not to get caught up in the intense romantic triangle," and described the film as "grand and lavish entertainment, with some real commercial possibilities," an extraordinary comment about a 46-year old, black-and-white, subtitled film.<sup>79</sup>

In mid-1987, the producers signed a contract with Angelika Films, which

agreed to the broad sort of distribution that the producers wanted. Angelika has agreed to show *We The Living* in at least ten of the nation's twenty largest markets. It is scheduled to open in New York in November.†

The dream of Ayn Rand, Henry Mark Holzer, Erika Holzer and Duncan Scott will be fulfilled. After nearly half a century, American audiences will have an opportunity to see *We The Living*, and to see it not as a piece of Fascist wartime propaganda, but in the form that Ayn Rand wanted, complete with subtitles reflecting the meaning that Rand preferred.

At her farewell party the night before she left for America, a young man had told her "If they ask you, in America—tell them that Russia is a huge cemetery, and that we are all dying slowly." "I'll tell them," she promised.§

#### Note on Sources:

This article would have been impossible without the cooperation of several individuals involved in the production and distribution of the American subtitled version of *We The Living*, who generously provided me with uncommon access to their time. Duncan Scott, Henry Mark Holzer, Erika Holzer and Peter Herzog all graciously and patiently responded to my requests for interviews. I am also grateful to Barbara Branden, Rand's longtime friend and biographer, who offered information and advice that proved helpful. My colleagues at *Liberty*, Stephen Cox and William P. Moulton, also helped with research. Stephen Cox, Duncan Scott and Erika Holzer read various drafts of the manuscript and made many helpful suggestions, although all expressed reservations over some of the interpretations of events. Of course, the finished product is my responsibility alone.

Much of the information about the film's history comes from interviews done 30 to 45 years after the movie was made; not surprisingly such accounts vary with the memories of the principals.

In order to keep the source notes manageable and to prevent their cluttering the article, I have omitted citing sources of direct quotes from unpublished interviews and have refrained from citing sources for facts that are generally known or easily available.

† Angelika is yet to announce the remainder of the film's openings. The length of its run and the breadth of its distribution will depend on its success in its first few days. For information, contact: Angelika Films, 1974 Broadway, New York, N.Y., 10023, (212) 769-1400.

§ Hank and Erika Holzer are involved in the struggle for human rights behind the Iron Curtain, and have established contacts with human rights groups there. They have made arrangements to smuggle copies of the film into the Soviet Union, thus completing "a beautiful full circle," in Erika Holzer's words.

In details of Rand's life, I have generally relied on Barbara Branden's *The Passion of Ayn Rand* (Garden City, N.Y.: Doubleday & Co., 1986) but I also consulted other published material. Only in cases where the information about her life has not been previously published have I cited the specific source.

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# "Give Me Liberty or Give Me Death." —Patrick Henry, 1776

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## Film Review

# Eternity in 2 Hours 50 Minutes

by Stephen Cox

Willian Gish, that immutable star of the Hollywood firmament, is fond of quoting William Blake's evocation of romantic vision:

To see a World in a Grain of Sand  
And a Heaven in a Wild Flower  
Hold Infinity in the palm of your hand  
And Eternity in an hour.

This, according to Gish, is what motion pictures allow their audiences to do. Certainly the claim is appropriate to *We the Living*, and it is appropriate in several ways.

"Eternity in an hour": in its most obvious application, the phrase alludes to the ability of film to concentrate events, to transform expanses of history (real or fictional) into bright crystals of imagery, achieving a greater intensity and shapeliness with each crystallization. Of course, "an hour" need not be interpreted over-literally as "one hour." *We the Living* is a long novel; its film adaptation is also long, and it used to be longer. In its two-part form—*Noi Vivi* and *Addio, Kira*—it ran 4 hours 20 minutes. The length of the film resulted from the fact that its makers harbored a sense of responsibility to literary sources that is virtually unheard of in the American film industry. Here, no one expects the movie version of a novel to bear the slightest resemblance to the book. But the makers of *We the Living* included in the film nearly every significant scene in the novel. Clearly, they intended their audience to see an entire "world," and they showed great skill in constructing that world as economically as they did.

And yet—a story without the epic machinery of, say, *Gone With The Wind*, a story that is concerned above all with the subtleties of individual feeling, exhausts attention much sooner on the

screen than it does on the printed page, especially if its imagery is as intense as cinematic imagery deserves to be, and as the imagery of this film is. The editors of the new, English-subtitled version of *We the Living* cut it to 2 hours, 50 minutes. The length seems just about right, and the cuts were tastefully done. They were made by people who cared deeply about the film's artistic quality, not just about the time it takes to screen. Ayn Rand, a person certainly not given to needless artistic compromises, reviewed the film and decided where major cuts should be made; later, coproducers Duncan Scott and Henry and Erika Holzer implemented and refined these decisions, and made some further edits. The cuts were decided on aesthetic grounds.

Among the portions cut were the original ending of the film and the subplot involving Irina, the cousin of the heroine, Kira. Deeply affecting as are the corresponding passages in the novel, these parts of the film were judged aesthetically unequal to the others, and they were omitted. On this subject, I hesitate to become too specific, because I believe that readers should have the pleasure of seeing and judging the plot development for themselves. I can say, however, that the edits are very smoothly handled; that nothing is felt to be missing as the movie proceeds, and that nothing in the current conclusion is felt as a distortion or an anticlimax. The English subtitles (by Duncan Scott and Erika Holzer) are also smoothly handled; they are of excellent literary quality, and they point the moral of Rand's individualistic philosophy clearly, succinctly, and persuasively.

So Rand's long story has been successfully recrystallized. But an impression of "Infinity" and "Eternity" cannot

result merely from concentration of effects, elimination of the non-essential. It can only be achieved when the words and images that are actually used acquire a heightened power of suggestion. The story of *We the Living* concerns one woman's resistance to tyranny, but Rand of course intended it to suggest a meaning of wider scope and more intense significance. She intended it to illustrate what happens when two universes collide: the universe of the private self—Kira's universe—which is the world of necessarily private emotional fulfillment and spiritual progress; and the universe of collective purposes and programs—the Soviet universe—which derives its sanction from "historical law" or "class interest" or some other source remote from individual thought and feeling, and which is therefore antagonistic to authentic human life. By maintaining her integrity of self, Kira wins a victory—a private victory, in the best sense—over a malevolently public universe.

The conflict of the two universes emerges as clearly and strongly in the film as it does in the novel. Indeed, the film focuses even more intently than the novel on the primacy of the private self. The novel contains analyses of historical episodes and trends, descriptions of public events, and brilliant evocations of the life and character of the city of Petrograd in which Kira's story is set (the long description of Petrograd at the beginning of the novel's Part Two is in fact one of Rand's finest pieces of writing). The film cannot and does not attempt to duplicate these effects. Of course, Italians could not film on location in Leningrad during 1942, and even the film's large budget did not allow for the construction of *Cleopatra*-like exteriors. But Director Goffredo Alessandrini turned necessity into a virtue. He didn't just *endure* small sets and limited, interior views, nor did he try to make contracted interiors look like vast exteriors. Instead he *emphasized* intimacy and interiority, using them to suggest that what is most important is the private self and its immediate surroundings.

Alessandrini put his camera unusually close to its principal human subjects, and he rigorously contracted the space around them, even theoretically "open," "exterior" space. A good example of this method appears in the scene in which Kira and Leo first encounter



each other. Their meeting takes place on a busy sidewalk in the open air. But as the camera follows Kira through the scene, the unnaturally small set creates a strange, almost surreal volume that reduces all the other people to mere parts or shadows of bodies looming up around her suddenly and senselessly, and just as suddenly and senselessly disappearing. Leo looms up in this way, too; but when the camera rests on him, incorporating him firmly in the space next to Kira, one knows that she, too, can rest from wandering.

An even better example of Alessandrini's approach is the scene in which Leo and Kira try to escape from Russia. They are in the cabin of a ship that they believe will smuggle them across the border, looking out through a porthole, thinking about the free life toward which they are journeying together. The dark steel cabin resembles a prison, but light streams through the window illuminating the lovers' faces and luring the viewer into thinking that he is about to be allowed to follow their glance and see the bright outside world that they can see. This vision, however, is only for the eyes of love; it is too private to be shared. The position of the camera suddenly changes, and we are looking back through the window at Leo and Kira, who are perfectly framed within its radiance, perfectly at one in their private world. Alessandrini's arrangement of this scene suggests two meanings simultaneously. The first suggestion is that the lovers are literally enclosed by circumstances, that we will never see them escape into the bright world beyond the Soviet system. The second suggestion, however, is that the beauty and intimacy of their love are already victorious over circumstances that confine it in a merely physical sense.

There are double implications, then, of *We The Living's* emphasis on intimacy; and these double implications produce powerful, though ordinarily subliminal, tensions. Much of *We The Living's* sense of drama results from the conflict between negative and positive forms of intimacy. On the one hand,

Alessandrini's method reinforces Rand's assumption that the self is the primary reality. When his camera moves in for a close-up, nothing seems more important than the passions that shift like clouds and sunlight across



Kira and Andrei argue political philosophy in the black market.

Alida Valli's face. On the other hand, the method demonstrates the terrors of an "intimacy" produced by pettiness, narrowness, and obstruction, an intimacy that turns any suggestion of "eternity" and "infinity" into a suggestion of hell.

*We The Living* has a hundred ways of making such suggestions. Early in the movie, we see Kira waking up in a fairly spacious bedroom, then proceeding

down the hallway to a collectivized bathroom, the entrance to which is blocked by six grotesque figures, waiting, waiting, waiting in line. A petty obstruction—but a hell can be created simply by the repetition of petty obstructions. The bathroom scene foreshadows the sequence in which Kira tries to get an official to approve the dying Leo's admission to a state tuberculosis sanitarium; in scene after scene, she fails to keep the attention of the Italian-fascist-style official at the head of an apparently infinite line of petitioners, all in quest of a petty though precious bureaucratic nod.

There is the claustrophobia of queues and there is the claustrophobia of mobs. To make a mob, Alessandrini does not need to increase his cast; he needs only to decrease the space in which he puts it. The novel includes a student election scene, and Alessandrini stages it in a lecture room that is too small to accommodate the relatively few actors present. People stand in the orchestra and sit in the aisles; a leather-clad crowd fills the stage and stares back at the crowd in the seats; the walls are blocked by standing spectators and by giant pictures of Marx and Lenin; the semicircular hall seems bending in upon itself, ready to crush or digest its occupants. Then the bombastic Red leader, Comrade Sonia—one of Rand's finest satiric characters, brilliantly played by Cesarina Gheraldi—gets up to deliver a harangue, and she fills the screen, completing the sense of malevolent intimacy.

Alessandrini's favorite methods of implying enclosure and obstruction involve manipulations of the camera's position. When Kira walks on the street or in the market, the camera is pointed at her, but other people are allowed to cross between her and it, momentarily blocking the audience's view and inducing a subliminal sense of Kira's enclosure by social phenomena. Perhaps the most brilliantly directed scene of enclosure is that in which Kira is being questioned by Pavel Syerov, a Bolshevik official. Both Kira and Pavel (insightfully played by Emilio Cigoli) have some-

## We the Living (Noi Vivi)

Italian with English subtitles

Goffredo Alessandrini  
Director

Studio: Scalera, 1942

From the novel of Ayn Rand

Anton Giulio Majano

Screenplay

Renzo Rossellini

Music

### Cast

Kira: Alida Valli

Leo: Rossano Brazzi

Andrei: Fosco Giachetti

Pavel: Emilio Cigoli

Sonia: Cesarina Gheraldi

English-subtitled Version

Duncan Scott Productions

in association with

Henry Mark Holzer

and Erika Holzer

Erika Holzer, Duncan Scott

Subtitles

thing to hide. She is concealing valuable information; he is concealing his worthless character. The ethical contrast between these characters could not be clearer, but their battle gives them a momentary psychological similarity: each of them has, just now, an intense interest in obstructing the other's plans. They are locked in apparently permanent conflict: Pavel will not give up on his questions, and Kira will not give up on her resistance. Alessandrini captures the situation by photographing the two participants in the same way, aiming his camera at each person from behind the other's shoulder, alternating from one obstructed view to another as the questions and responses go back and forth. The suggestion is that this hellishly enclosed scene could go on forever; and just when one grasps the implication, a door opens in the background and Andrei—Kira's friend, Pavel's superior—breaks in.

*Andrei's* view is not impeded: he sees at once what is happening, and he destroys the static symmetry in which Kira is confined. He releases her, tells her to go home. Then he thrusts himself forward until he occupies all the space in Pavel's view, and, with a revelation of his sheer force of personality, he breaks Pavel's will. Now everything is being revealed: Andrei's power, his sense of moral responsibility, the base nature of his opponent, the feeling that Andrei and Kira have for each other. The camera position says it all: for a moment after Andrei enters the room, he and Kira look at each other, and nothing obstructs our view of them, as they share the camera's eye. There is no doubt that Andrei and Kira, like Leo and Kira, belong together.

Of course, one of the primary tensions in the plot is the conflict between Leo and Andrei for the love of Kira. That is the romantic tension. The metaphysical tension, however, arises from the question of whether the self can be effectively obstructed, enclosed, imprisoned by such forces as Marxist (or fascist) societies can bring to bear. (The "communist" officials, especially the GPU "çapo," who crack down on the dissident Andrei, are unmistakable *fascisti* and wonderfully characteristic of the species.) The film insists on the importance of this issue by its continual contrasts between the intimacy of private selves and the "intimacy" of social enclosures. But it also decides the issue by breaking the tension at crucial points

and revealing the formidable power of the private self.

The first half of the film begins, as Part One of Rand's novel begins, with Kira's journey to Petrograd in a squalidly overcrowded train. It ends, as Rand's Part One ends, with Kira grieving as Leo leaves Petrograd by train, bound for the sanitarium to which she has managed to have him admitted, at enormous sacrifice to herself. The second train scene is naturally suggestive of sickness and deprivation; it enforces the sense that Kira's life is enclosed by malevolent forces. We discover, though,

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*Rand told her friends—  
and told them repeatedly—  
that she liked We The  
Living "much better than  
The Fountainhead," a film  
that she had written and  
whose production she had  
helped to supervise.*

---

that Kira can never be spiritually enclosed or destroyed. Leo's sickness, it is true, proves worse than physical; it is a sickness of the soul, and it ends with his soul's death. But there is something more intimate to Kira than her intimate relationships with other people: her most intimate relationship is with her self, and hers is a self that survives all adversity. At the end of the story's second half, Kira gets free from Leo. She is the one who takes a definitive leave of sickness and squalor.

Plot and direction alone are not enough to reveal the self's intransigent vitality. Superlative acting is required, the kind of acting that makes characters who are supposed to possess enormously rich interior lives actually *look* as if they possessed those lives. As a director of acting, Alessandrini believed that he had done his part when he had given some basic advice and then stepped back: "If there's a method of direction in which I believe, it's this: leave the actor free." He identified Alida Valli as utterly and completely Kira Argounova, saying to her, "I'm not going to tell you anything about how to interpret the part, because you are Kira."<sup>1</sup> His confidence in Valli, and in his other actors, was entirely justified. *We The Living* is much more fortunate in its cast than any of the other movies made from Rand's

novels or screenplays;<sup>2</sup> its principal actors are all perfect for their parts.

Valli is an actress of exceptionally varied abilities, capable of portraying, in quick succession, an enormous range of emotions, capable also of the more difficult task of portraying very different emotions simultaneously. This is an ability absolutely necessary for the representation of Kira, who is torn between passion and horror in her relationship with Leo and between respect and aversion in her relationship with Andrei. Also, Rand wished Kira's character to demonstrate that certain characteristics commonly regarded as naturally at odds may in fact be harmonious, that an intense belief in self may be compatible with a worshipful attachment to another person. Valli succeeds better at dramatizing this idea than Rand does. Rand sometimes projects the romantic dream vividly and believably, but she sometimes merely asserts it in romantic formulas. Valli embodies it. There is never any question that Valli's Kira has surrendered passionately to Leo and yet is fully master of herself.

And there is never any question that Valli is one of the most beautiful women in the world. She has a beauty that is so distant from any stereotyped form of attractiveness that one is convinced it is the beauty of a unique soul. Rossano Brazzi and Fosco Giachetti are almost equally striking. Brazzi is the flawless youth, and Giachetti is the weathered man of experience; each is precisely his *type*, but each is much more, because each is unique in appearance and in his way of developing character. These actors, too, have tremendous range and mobility of expression.

One of the most remarkable scenes in any film is the "arrest" episode in the second part of *We The Living*. Here all the conflicts of the three major characters reveal themselves simultaneously or in quick succession. In Kira we see defiance, contempt, vengefulness, sarcastic spite, desperate love for Leo, desperate hatred for Andrei, and a sudden acknowledgement of a love for him that she could have wished were hatred. Andrei displays at first grim determination; then sickening shock, as he discovers the truth about Kira's relationship with Leo; then an embarrassment before Kira, to whom he cannot express his feelings, a moment of rage as she upbraids him, a summoning of his deepest ideals, and a cleansing flow of tenderness. In Leo, whom Alessandrini ena-

bles to contemplate himself respectfully in a mirror, there is a savoring of his rivalry with Andrei, a faint revival of his love for Kira, a narcissistic pleasure in overcoming it, a cynical self-satisfaction in his supposed understanding of the world's malevolence, an awareness of the danger that lies in indulging a sense of values, a real courage in facing adversity.

The richness of this scene creates the sense of an "infinity" and "eternity" of aesthetic effects. The only problem with the episode (as with many others in the film) is that it goes by too quickly for one to study and appreciate its subtleties to one's full satisfaction. (The solution to the problem is, clearly, to see the film more than once; one hopes that it will have an extended run wherever it appears.) Even in passages in which emotions are not so highly wrought or so complexly realized as they are in this one, there is always fine acting to enjoy. The principals, ably supported by secondary players, continually suggest the central paradox of all worthy performances: the actors *become* their characters, and participate fully in their wildest passions, but in so doing they demonstrate their own profound and absolute command of self. Just as the direction of *We The Living* expresses a Randian belief in the self's primacy, so the acting vindicates a Randian optimism about the self's strength and competence.

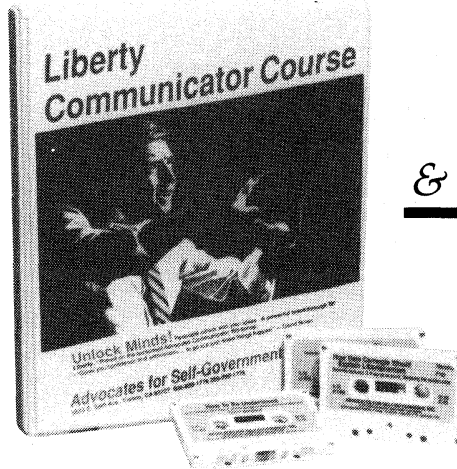
Rand told her friends—and told them repeatedly<sup>3</sup>—that she liked *We The Living* "much better than *The Fountainhead*," a film that she had written and whose production she had helped to supervise. She thought *We The Living* the greater artistic success. She was right. It is a much more successful translation of Randian concepts from novel to film than is *The Fountainhead*. It is easy to see why the movie's appearance in fascist Italy would give pause to the government and inspiration to oppressed individuals. *Noi Vivi* retains its capacity to move and inspire. Don't miss a chance to see it. And when you do, give some thought, not just to Rand, Alessandrini, and Valli, but also to the producers of the English version of the film. Their long labor of love has restored an important work of individualist art. □

#### Notes

1. Alessandrini, interview of 6, 12, and 16 November, 1973, in Francesco Savio, *Cinecitta Anni Trenta*, ed. Tullio Kezich (Rome: Bulzoni, 1979), I, 50-51.

2. For discussion of these other films, see Stephen Cox, "It Couldn't Be Made Into a Really Good Movie," *Liberty*, 1, no. 1 (August, 1987), 5-10.

3. Interview with Erika Holzer, 3 September, 1988.



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## Proposal

# Taking Over the Roads

by John Semmens

The provocative slogan "Sell The Streets!" is usually considered one of the more extreme—and impractical—examples of the libertarian program. But transportation analyst John Semmens says the sloganeers are right: it is the state-run road system that is impractical . . .

Consider one of the nation's largest enterprises. It is a money-losing operation with under-performing capital assets and dinosaur-like management—in other words, an enterprise ripe for a hostile takeover. But that won't happen, at least in the foreseeable future. The enterprise is the nation's highway system.

The only "politically viable" solution ever offered to the problem of under-performance of highway systems is to spend more taxpayers' money. Just exactly how this will resolve the problem remains a mystery. The resources available to meet a multiplicity of competing needs and wants are limited, and politicians apparently can't tell the difference between good and bad uses of funds. The last federal highway funding bill to pass was loaded with items that even the Federal Highway Administration admitted were wasteful. Is this the way it has to be? Must we condone waste as the inevitable cost of obtaining funds for critically needed road repairs and construction?

Whether or not society or the economy can "afford" the waste of scarce resources, the reality is that the existing public highway system does produce waste. Though highway bureaucrats continually demand more money to deal with the infrastructure crisis, the magnitude of the financial difficulties is not readily apparent in the traditional highway agency reports and publications.

Sure, these publications have been portraying dire needs for as long as anyone can remember. But it is the nature of public sector agencies to cry poverty at every opportunity. Assessments of "needs" always exceed

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forecast revenues in public agency reports. Voters and taxpayers cannot be blamed for being skeptical of these ceaseless pleas for increased funding.

The public debate on highway funding, then, is hopelessly confused. On the one hand, there is plenty of talk about how highways constitute "investments" in infrastructure that generate "returns" amounting to handsome "dividends" for the economy. On the other hand, the bureaucracy's case for funding usually takes the form of begging for charity.

The source of this confusion over whether funds for highways are investments or welfare payments is the fact that highways are publicly owned. The physical attributes and the functional uses of highways support the view that they are investments. The demand for the service provided by roads is strong. Under astute management, highways could generate returns and dividends. Sadly, though, roads are managed under a socialistic monopoly system that disdains the profit motive necessary to make investments pay off.

One might have thought that some 200 years after Adam Smith pointed out the vitality of self-interested actions, the record of success of free enterprise's private sector would have provided sufficient evidence for relying upon the

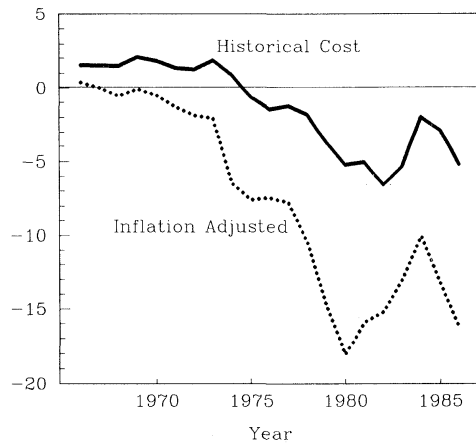
profit motive. Nevertheless, we find ourselves nearing the twenty-first century with one of our most crucial assets managed by primitive and ineffectual public sector methods.

Just how primitive and ineffectual public sector ownership and management of the roads is can be seen from the accompanying graphs. If one were to convert the financial statistics reported by the state and local highway agencies to the Federal Highway Administration into a business-like income statement format, the performance of public sector asset management would be more clearly illustrated. Over the last 20 years, the public road system has seen its financial fortunes plunge from marginally "profitable" to substantially "unprofitable." Assured fuel availability following the termination of some of the ill-conceived energy policies of the 1970s and the Surface Transportation Assistance Act's 125% hike of the federal gasoline tax in 1982 sparked a partial recovery in the 1980-84 period (see Net "Profit" or "Loss" for U.S. Roads graph). But results seem to have resumed their prior dismal course since then.

The reason for such huge losses is that public sector highway agencies make no allowances for depreciation or

obsolescence in their management of, or accounting for, funds used in constructing and operating the road systems. Strange as it may seem to anyone familiar with the operation of a business enterprise, government makes no formal financial provision for the replacement or repair of constructed facilities at the end of their designed life. Consequently, as roads built in past

**NET "PROFIT OR "LOSS" FOR U. S. ROADS**  
(\$ in Billions)



years near the end of their designed life there are no financial reserves available to handle the situation. Further, there is little comprehension of the necessity for retiring obsolete assets. Public sector planning is based on the premise that virtually every road ever built must be preserved and maintained in perpetuity. Thus, between these two factors, as roads wear out or become obsolete, a funding crisis inevitably ensues.

No intelligent businessman would run his company in the manner attempted by the public sector highway officials. Yet, ignoring the predictable and routine costs of repair and replacement is the standard operating procedure in the public sector. Few legislators or administrators give any sign that they are aware of this problem, much less prepared to deal with it. Of course, the more cynical and sinister interpretation of this government behavior is that the neglect of sound asset management is intentional. The recurring crises can serve as means of stampeding the general population into accepting tax increases as their only salvation.

At the same time time that the need to deal with the ultimate replacement costs of facilities has been disregarded, bureaucratic overhead in the highway

agencies has soared. As a percentage of construction outlays, administrative costs have risen from under 7% during the 1950s to over 17% today. That is, while construction budgets were rising by a robust 400%, the cost of administering our public highways rose by an incredible 1200%.

A private firm with the sort of record compiled by our public highway agencies would be easy prey for a corporate raider. There are extensive under-performing assets. Public sector management is bloated and overstaffed beyond any semblance of reason. Regrettably, though, the prospect that the market for management control could come to the rescue of the long-suffering taxpayer seems remote. Highways may nominally belong to the people, but they have no effective means of influencing the control of the assets. The ability to vote for the legislators who ultimately supervise the management of the assets is a piffling option compared to the private sector stockholder's right to sell his shares.

Preventing the nation's highways from succumbing to irreversible decay will require one of two things. We could, at great sacrifice of resources, heap so much money onto the public sector highway bureaucracy that, even with massive waste and mismanagement, most of the necessary work would be accomplished. Or, we could privatize the highway system.

Defenders of the status quo have already raised all manner of plausible-sounding objections to the idea of privatization. They scoff at the notion that any private enterprise would want to take on the thankless task of operating loss-making public roadways. However, the mere fact that one group of managers can't make profits out of a given set of assets is no proof that another group won't succeed. Buyers for the assets of bankrupt businesses can usually be found.

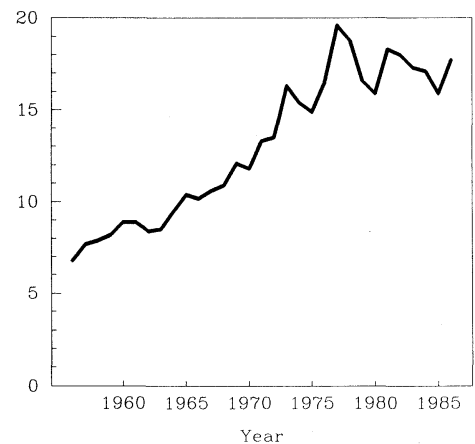
Critics of privatization often assert that highways are "public goods." That is, they are services that cannot be withheld from non-paying users, and therefore must be provided at a loss by the

government. Superficial analysis might appear to confirm this assertion. Roads give the appearance of being wide-open to anyone with a vehicle. At the same time, though, the public sector does collect "user" taxes and does attempt to exclude non-payers from using the roads. To say that the attempt to exclude non-payers is not 100% successful does not make roads "public goods." Not every shoplifter is caught either, but this hardly makes retail merchandise "public goods."

**How Privatization Might Work**

As bad as public sector provision of roads is, the fact remains that there are roads. People don't have to conceive of how public roads might work. They can look out the door and see them. This concrete reality can serve as a formidable barrier to change. As advocates of a much needed change, our prospects for success will be enhanced if we can generate some conception of how private roads might be arranged. This conception need not, indeed cannot, encompass much detail. After all, the fundamental advantage of turning roads over to the private sector is that the creative energies of entrepreneurs in a competitive marketplace can supplant the sterile rituals of government planners. We prescribe freedom, not out-

**ADMINISTRATIVE COST TREND**  
(As a Percentage of Construction Outlays)



comes. Still, a general idea of a privatized system is both possible and necessary.

In arranging for private roads there are two questions to be answered. First is the issue of what a privatized system might look like. Who would operate the roads? How would they get paid for their services? Some speculations on



how these questions could be answered will be undertaken. Second, there is the issue of how we get there from here. We aren't starting in a "state of nature." There is an existing system. How do we engineer the transition to a privatized system? I will offer some suggestions.

When the topic of privatized roads is broached, the most frequently cited model for how such a system would work is the toll road. The fact that the private sector built over 8000 miles of toll roads in America in the early 19th century demonstrates that the concept is feasible under some circumstances. The fact that these roads all were turned over to the public sector indicates that there are other circumstances under which private toll roads may not be feasible.

Opponents of privatization relish the opportunity to focus on the presumed infeasibility. Their typical caricature is that of the toll booth on every corner of a busy urban roadway. Heavily congested urban streets could hardly be improved by the addition of cumbersome toll collection procedures to the existing aggravations of bumper-to-bumper traffic jams. However, the infeasibility of traditional toll roads as a universal means of privatization does not rule them out for all potential circumstances. Corner-to-corner air travel is also infeasible, but this does not mean there is no market for commercial air service.

There are already extant numerous toll roads and bridges in the U.S. According to FHWA records, there are over 4600 miles of toll roads in operation. Some of these are privately owned and operated. So, privately run roads are possible.

The conditions conducive to successful toll road operation are relatively simple. Access to the roadway must be controlled. Vehicles must be channeled to enter and exit at points convenient for the collection of tolls. The road must offer a tangible advantage over parallel "free" highways. Usually this advantage is a higher quality of service. Toll roads are typically less congested and better maintained than their "free" counterparts.

At present, there are about 50,000 miles of controlled access highways that conceivably could be converted

into privately owned and operated toll roads. The 30,000 miles of rural Interstate highways could easily be converted into traditional-type toll roads. Some of the urban sections of these controlled access highways are already toll roads. Others could be made into toll roads. Granted, these roads account for less than 2% of the mileage in the nation's roads systems, but they handle 20% of the traffic. Consequently, the traditional toll road concept could, without new technology or marketing innova-

*There is no compelling rationale for the road in front of your home to belong to the city or county government. It could just as easily belong to you and your neighbors.*

tions, allow for privatization of 20% of highway travel.

About 69% of the road mileage in America is made up of what are called "local" roads. This classification does not include major arterial highways or county routes. Local roads are basically residential streets serving as access routes to properties, not as thoroughfares for through traffic. Such roads account for only 14% of the vehicle miles of travel. Privatizing these roads should, for the most part, be relatively easy. The obvious solution is for the roads to be transferred to local homeowners' associations.

There is no compelling rationale for the road in front of your home to belong to the city or county government. It could just as easily belong to you and your neighbors. In both condominium complexes and shopping centers it is common for the abutting streets to belong to the property holders. The property owners provide the maintenance and control the access. Other local roads could be handled in the same fashion. As it is now, property developers usually build the streets that provide direct access to residential and commercial buildings. The current practice is for these streets to be ceded to the municipal or county government having political jurisdiction in the area. These local governments then assess taxes on the property in order to fund the roads' upkeep. It would be feasible for the property holders to retain joint title to these local roads, keep the would-be property tax assessment, and contract with some

private sector firm for road maintenance and repair. The ongoing maintenance expenses and capital improvements of condominiums and shopping centers are currently handled in this fashion.

Between traditional toll roads and local streets, the private sector could accommodate roads comprising over 70% of the mileage and one-third of the traffic. The remaining two-thirds of highway travel would require more innovative methods of privatization in

order to work. One of the possible innovations that could revolutionize the way we pay for roads is electronic road pricing. The transponder system that permits air traffic control to operate is far more sophisticated than what would be necessary for electronic

road pricing. At a capital cost of under \$50 per vehicle (some have estimated the cost at under \$10), each car, bus, and truck could be equipped with transponder devices capable of recording and billing for road use.

An experiment employing electronic road pricing technology was successfully conducted in Hong Kong from 1983 to 1985. Although this test was a triumph in both a technical and economic sense, it was a political failure. The government authorities did little to allay fears that the electronically assessed user fees would simply serve as "revenue enhancers" on top of already high vehicle registration taxes. In fact, the government's willingness to test the new technology may have been at least partially motivated by its revenue enhancement potential. An additional concern was that the electronic monitoring system could be used to invade individual privacy.

Rather than demonstrating that electronic road pricing is impractical, the Hong Kong experience helps to illustrate why privatization would be an improvement. Private firms in a competitive environment cannot blithely impose revenue enhancers on their customers without running the risk of losing them to business rivals. Privatized roads would be exposed to the full rigors of the marketplace. Prices for road use would tend to be driven down to the level of the costs necessarily incurred in meeting consumer demand.

Privatization would also mitigate

the invasion of privacy problems. In a competitive environment, any one road operating firm would have only partial and fragmentary records of the comings and goings of individual road users. The need to guard proprietary information from prying competitors would help to protect user privacy. It is also likely that firms would offer varying options to road users. For example, your local telephone company probably offers its customers the choice between a metered, per-call billing and a flat-fee monthly service charge. Road operators could pursue similar marketing strategies.

Some opponents of privatization imagine that monopoly is necessary for smooth operation of the system. The notion is that some sort of barrier to travel from roads owned by one firm to those owned by another would render a competitive private system infeasible. As it is now, city, county, and state roads interconnect in many locations. The fact that disparate jurisdictions can cooperate would seem to indicate that cooperation is possible. Private firms would have the added incentive of the profit motive to stimulate cooperation. Firms that blocked connections or forced circuitous routings would tend to alienate customers and lose business. Privately owned and operated railroads have worked out agreements for the interlining of traffic from one firm's system to another's. Similar agreements could be achieved by private road firms.

A completely different approach to making privatized roads profitable would draw upon the experiences of the broadcasting industry. Broadcasting is a classic example of how the market can resolve the problem of users gaining "free" access to a vendor's product. Anyone with a receiver can consume a broadcast radio or television program. Producing entertainment for profit via broadcasting would appear impossible where the user cannot be made to pay for his consumption. Nevertheless, broadcasting is a highly profitable industry, with well-paid employees and satisfied stockholders.

Broadcasting succeeds because the programming serves as the medium for transmission of commercial messages. The profit comes from the revenues obtained from the purveyors of these messages. Roadway companies could adopt television as the model for successful private operations. Revenues generated from roadside advertisements or access to roadside businesses could be a means of

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**—Roy A. Childs, Jr.**

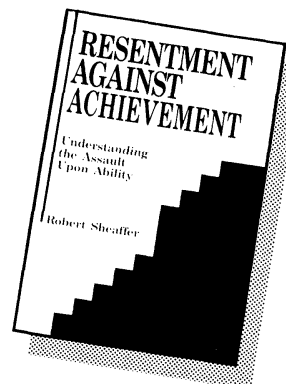
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funding privately owned roads. Since revenues would likely be based on traffic volume, road operators would have an incentive to improve the facility in order to attract higher volume.

Regardless of whether a privatized road system uses high or low-tech approaches, it seems clear that the private operation of roads is both economically and technologically feasible. The fact that we have examined several possible alternatives should not be construed as an exhaustive or complete listing of the options. Obviously, some sort of mixture of traditional toll roads, homeowner association ownership, and more innovative techniques would be likely.

### The Case for a Creeping Capitalism

The problem that looms largest in the quest for a more efficient and effective road system is clearly political in nature. The question is, how might we overcome the political problem?

The fiscal voracity of government at all levels may serve as the impetus for a viable privatization strategy. Governments like to spend money. Disposing of roads that are burdensome consumers of public funds would free up money for other uses. The revenues yielded by the sale of more valuable roadways would provide funds for other programs.

If the funds saved or gained through privatization are only going to be converted into other government spending, is there any point to the effort? The answer is yes, for several reasons. Inducing the government to obtain funds from the divestiture of roads will help dampen the lust for tax increases.

This has some value in itself.

Second, rescuing an asset as valuable as the road system from the stranglehold of inept government management is also a worthwhile goal. Putting this asset to more productive uses can spur a more efficient economy. More productivity has its own beneficial consequences.

*A private firm with the sort of record compiled by our public highway agencies would be easy prey for a corporate raider.*

Third, many people are under the delusion that government really provides services. The roads are frequently cited in this context. Pollsters have found majorities of voters willing to accept higher taxes in exchange for more government services. To the extent that government can be more clearly portrayed as merely a parasitic transfer agency, the delusion of government as servant may be undermined. The government's role in taking money from some in order to give it to others has less popular support than its role in providing real things, like roads.

The incentive for the government to sell the roads might be exploited from two different angles. On the one hand, there are many roads that serve little traffic, yet consume scarce resources for upkeep. If the public sector could be rid of these money-losers, it would relieve itself of expense. Therefore, abandoning these roads would be one means of privatizing highways.

Who would buy, or even accept, money-losing roadways? Well, just because a road loses money under government control doesn't mean it cannot be operated economically with private sector management. At the very least, the road almost certainly is necessary for access to abutting properties. These property owners should be willing to take control of the road. If they are not, then there can be no legitimate objection to closing it.

The second angle for exploiting the public sector's lust for money is the sale of high-yielding road facilities. These should bring good prices. Living off such asset sales may enable government officials to maintain payments to favored causes and friends, while still being able to boast of holding the line on taxes.

In either case, the insidious encroachments of piecemeal divestiture should be encouraged. While governments at all levels may raise "principled" objections to a privatized road system, their resistance to incremental, case-by-case inroads is apt to be lower. Any and every abandonment and divestiture should be supported, no matter how partial or incomplete. The battle for freedom and reason will be won by degrees, like any other battle or war. An accumulation of little victories eventually produces overall triumph.

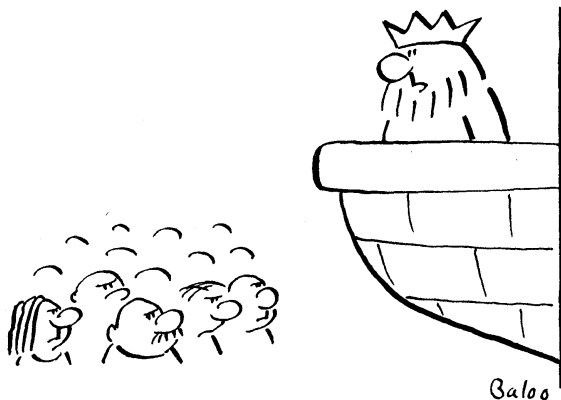
### Conclusion

The discussion of road privatization has been fairly theoretical. At this point, it is not imperative that we precisely delineate how a privatized road system would work. It is only necessary that we be aware that it could work. The details can be worked out by the creative forces that regularly shape the markets for the wide variety of freely traded products.

The current public sector ownership and operation of roads is producing huge and continuing losses. The long-term prognosis is financial disaster. The traditional Congressional proclivity for selection of pork-barrel spending over the provision for repairs and replacement of aging facilities is a formula for deterioration and destruction of highway assets.

In contrast, privatization would harness the powerful incentives and disciplines of the competitive marketplace on behalf of vital economic assets. While there is little in the behavior of Congress that is encouraging, we can strive to achieve a wider comprehension of the declining fortunes of highways under public sector management vs. the potential gains to be had from the private alternative.

Who knows, perhaps once the topic becomes more commonplace, corporate raiders like Boone Pickens or Carl Icahn will figure out how to acquire, bust-up, and reinvigorate our road systems. □



"I know how you feel, but the five mile per hour speed limit conserves horses."

## Essay

# Motives and Values Theories That Make Sense

by Allan Levite

Economists are not the only scientists concerned with productivity. In this essay Allan Levite explores the theories of some prominent psychologists, and then relates their findings to the well-known (to libertarians, anyway) theories of the Austrian School of Economics.

From Reagan to Gorbachev, from Gary Hart to Mike Dukakis, politicians of every kind are obsessed with productivity. And, as management scientist Hirotaka Takeuchi has pointed out, "Everyone seems to agree that something ought to be done about it soon."<sup>1</sup> It is difficult to talk about

raising productivity without talking about increasing the motivation of workers.<sup>2</sup> But what *is* work motivation? Is it merely or mainly a response to the worker's paycheck? What methods of motivating workers have been tried? How successful have these methods been? Is there anything to be learned about motivation and productivity that goes beyond the politicians' nostrums?

Quite predictably, there is. Both economic theory and the history of management theories offer important insights.

### **The Money Motive and What Happened to It in the U. S.**

At one time, most American managers seemed to believe that money alone could motivate their subordinates. But the rise of the "Human Relations" school of managerial thought, following the famous Hawthorne Experiments in the early 1930s, caused these earlier ideas to be abandoned. Motivational factors that were deemed more important than money, such as peer group approval, soon took precedence. Actually, in its advocacy of better working conditions and more benevolent and supportive management techniques, the Human Relations school never tried to deny that money could motivate people, and never recommended the aboli-

tion of incentives. But some of the school's thinking gradually began to show a prejudice against the money motive.

This aversion intensified after the theories of psychologist Abraham Maslow were applied to work motivation in the postwar era. Maslow arranged human needs in a hierarchy of five levels. At the bottom were basic physiological needs. Next came the need for security, followed by the need for love and "belonging," then the need for self-esteem and the esteem of others. At the top was the "highest" need, the need for self-actualization.<sup>3</sup> Maslow postulated that as each lower-level need becomes temporarily satisfied, it no longer motivates an individual's behavior, which is guided instead by the next-highest need. This process culminates in the drive to fulfill the need for self-actualization, which can be defined as the feeling that one has reached one's fullest potential. For Maslow, the lowest-ranking needs are the physical requirements that money can satisfy (food, shelter, etc.) However, because money has symbolic value to some people as a status symbol, such individuals could presumably satisfy their self-actualization needs by earning or pos-

sessing large sums of money. But most observers neglected to take this into account, preferring instead to place overriding emphasis on higher-level needs and trying to devise ways for workers to obtain fulfillment of these needs at the workplace.

Lower-level needs, it was assumed, were relatively easy to satisfy, especially in the affluent, consumer-oriented economy that emerged in the 1950s. Only the higher-level needs seemed to present a real challenge, and only these appeared important. The Human Relations thinkers, deficient in economic theory, forgot that as new kinds of products enter the consumer markets, and as demand for them develops, turning yesterday's luxuries into today's staples, people's uses for money constantly expand. Money might therefore *not* cease to motivate, even if higher-level needs inspire human behavior at the same time.

In the 1950s, psychology professor Frederick Herzberg conducted a series of studies investigating employees' attitudes. These researches led him to formulate his Two-Factor (or "Motivation-Hygiene") theory of job satisfaction. Within this structure, the "motivating" factors were identified as achievement and its recognition, responsibility, the

content of work performed, and advancement—roughly the equivalent of Maslow's higher-level needs. The "hygiene" (or "maintenance") factors, according to Herzberg, were such items as pay, job security, working conditions, and supervision—basically equivalent to Maslow's lower-level needs.<sup>4</sup> Herzberg noticed that workers frequently recalled "good" (pleasant) experiences with respect to the motivating factors, but few "bad" experiences if these factors went unsatisfied. And the subjects tended to impute bad experiences to poorly satisfied hygiene factors such as pay, but they related few good experiences when discussing well-satisfied hygiene factors. Herzberg therefore concluded that the path to job satisfaction could be followed only by enhancing the motivators, not the hygiene factors. In his view, the fulfillment of hygiene factors, such as by offering good pay and job security, could lead only to the *absence* of job dissatisfaction, not to positive job satisfaction.<sup>5</sup>

To be fair, Herzberg was primarily concerned with "enriching" routine jobs such as assembly-line work with mentally challenging content that would alleviate monotony. He refrained from formally stating that money could not motivate people. But his theory did tend toward that conclusion. As stated in a typical management text: if Herzberg were correct, since "pay is a maintenance factor, we would have to conclude that pay is not a motivator."<sup>6</sup>

Herzberg's theory had a tremendous impact on managerial thought, especially during the 1960s, when the prevailing climate was well-suited to embrace any idea that offered a refutation of the money motive. Others carried the theoretical battle against pecuniary motivation to greater extremes. A notable example is Chris Argyris, whose book *Personality and Organization* argued that the demands of formal organizations, such as corporations, were stifling the fulfillment of the mental or emotional needs of mature individuals. Like Herzberg, he advocated changing job content so that workers could derive real satisfaction from their labor. This was all well and good. But Argyris also maintained that the idea of money motivation is an illusion, and that workers become preoccupied with material gain

primarily as a *response* to, and a *rationalization* of, their frustration and lack of job satisfaction.<sup>7</sup> He wrote:

... It is now clear that an emphasis on monetary rewards may well be a more crucial human problem than no emphasis or a minimal emphasis. Human relations research does not need to have as one of its reasons for existence "proof" that so-called human factors are more important than material ones.<sup>8</sup>

*"Job enrichment" was championed in the belief that if routine work became more mentally stimulating greater job satisfaction and motivation would result. But although "enriched" work was shown to be more satisfying, it did little to improve motivation.*

In at least two other instances, Argyris used such terms as "human factors" and "material factors" in the same mutually exclusive way, but did not precede them with "so-called." (Is it animals, vegetables or minerals that want money, or is it human beings? The only thing missing here is a condemnation of "selfishness" and "greed.")

Since Herzberg's theory had implied that job *satisfaction* equals job *motivation* (or that motivation results from satisfaction), it became easy after a while to refute his thesis, and the school of thought that had centered around his and Maslow's ideas came into general disfavor among managerial theorists. Satisfaction and motivation are now known to be separate and distinct, and the latter is not necessarily an outcome of the former. Taxi drivers, for example, tend to be highly *motivated* while affecting little job *satisfaction*. The weight of research and theoretical work does not support Herzberg's theory—most studies, in fact, have refuted it—and some researchers have pointed out that his methodology was faulty. Even Maslow's work came under heavy criticism.<sup>9</sup>

"Job enrichment" suffered a similar fate. Herzberg championed it in the belief that if routine work became more mentally stimulating and employees were allowed greater autonomy and responsibility, greater job satisfaction and motivation would result. But although "enriched" work was shown to be more satisfying, it did little to improve moti-

vation. Studies revealed that enrichment resulted in higher *quality* work, but not in higher output.<sup>10</sup> More importantly, the workers whose attitudes most closely matched Herzberg's theory tended to be white-collar employees, not the blue-collar workers for whom it was mainly intended and who seemed to have a greater need for it.<sup>11</sup>

A recent management text aptly sums up the money motivation issue:

Some researchers have failed to make the important distinction between motivation to work for money and motivation to work harder in order to earn more money. Others have arrived at the indefensible conclusion that money either is not a motivator

or is not an important motivator, and still others have proceeded with little apparent recognition of the fact that money is often just one of many motives that interact in a complex way to produce a given behavior.<sup>12</sup>

## Birth of Expectancy Theories

Professor Victor Vroom, who was in the forefront of the theoretical attack on the Herzberg school, proposed a type of work motivation concept that has come to be known as an *expectancy* theory. Vroom's contention was that strength of motivation is a product of two major forces: *valence* and *expectancy*. Valence is the subjectively determined value or attractiveness of an outcome to an individual. Expectancy is the perceived likelihood that a given act will result in a given outcome.<sup>13</sup> For example, if a worker highly values monetary rewards (positive valence), and if he believes that working hard or harder will yield significantly higher income (positive expectancy), then he will be highly motivated. A piece rate or a commission-pay feature should work this way for those who value money highly. However, a pecuniary reward is only one of a multitude of possible outcomes that a worker might value.<sup>14</sup>

Extensions of this theory include *three* factors, the third being *instrumentality*. This is the degree of perceived likelihood that "first-level" outcomes (such as work performance or output) will result in the attainment of "second-level" outcomes (such as higher pay,



recognition, promotions, etc.)<sup>15</sup> Obviously, extra effort does not always lead to higher output (the expectancy connection), nor does higher output always lead to significantly or proportionately greater rewards (the instrumentality connection). Expectancy theory, however, can still be expressed using the two major factors—valence and expectancy—for instrumentality is really a form, or subset, of expectancy.

Note that this theory makes no attempt to limit or describe which factors motivate people, as Maslow's and Herzberg's doctrines had done. Expectancy theory only provides a framework for the cognitive *process* of motivations, and is therefore called a "process" theory of motivation, in contrast to the "content" theories, such as Herzberg's, that it supplanted. Vroom's thesis reflects the individual differences that affect worker motivation without seeking to identify what they are for each person. This would have been impossible, since everyone has a unique blend of valences and expectancies.<sup>16</sup> For some, performing poorly can have a stronger attractiveness (valence) than performing well, and so such people would not be motivated to do well.

The expectancy idea encompasses those who value maximum leisure or the approval of others most highly. It allows for those who are motivated mainly by money, but there is ample room in it for workers who are highly stimulated by interesting or challenging work. But as we have seen, "enriched" work is much more likely to be *satisfying* than *motivating*, and expectancy theories do not make the mistake of confusing satisfaction with motivation. In fact, refined versions of the expectancy idea later showed that satisfaction can more properly be said to result from performance than vice-versa.<sup>17</sup>

There has been considerable scientific support for expectancy theories, especially relative to the "content" theories.<sup>18</sup> One management text acknowledges that "the expectancy models make the most significant contribution to understanding the complex processes involved in work motivation."<sup>19</sup> Researchers now concede that for most people, money forms a motive—and often an important motive—

for working and for working harder. We might think that it would be difficult to overlook something so obvious, but we must remember that many researchers have been judging the money motive by focusing on the many instances where it has appeared not to work.

But researchers should acknowledge that when this happens, it is usually the result of an ineffective *use* or *application* of rewards, rather than because of the rewards themselves. Daniel Katz has delineated three conditions that are necessary if rewards are to operate as intended.<sup>20</sup> First, they must be clearly perceived to be *large* enough to make *worthwhile* the extra effort needed to obtain them. Second, they must be apprehended to be directly *related* to the performance in question: they must be bestowed immediately (or very soon) after the accomplishment of the required performance. Third, the majority of members of the group must believe that the rewards are just and equitable. In Vroom's terminology, all this simply means that both valence *and* expectancy must be sufficiently high if rewards are to succeed.

*Many researchers have been judging the money motive by focusing on the many instances where it has appeared not to work. But these cases of failure are usually the result of an ineffective use or application of rewards, rather than because of the rewards themselves.*

But many organizations cannot manage to link performance and reward in a direct way. Some incentive programs fail because of the absence or weakness of such connections. This explains why profit-sharing programs, although good for morale and overall efficiency, tend to do little for day-to-day motivation. Their rewards do not follow immediately after the effort, since most profit-sharing plans are of the "deferred" type (payable on retirement or termination). And it is often impossible for individual employees to assess the extent of their own contributions to company profits.

We can see the expectancy idea working in many areas, not the least of which is criminal behavior. Throughout his opus on crime and justice, Charles Silberman takes the liberal view, yet

points out that "recent research on deterrence suggests that increasing the *certainty* of punishment has considerably more impact on crime than does increasing its *severity*."<sup>21</sup> Here too, expectancy theory offers a cogent explanation. The abhorrence (negative valence) of punishment carries more weight when there is an increase in the perceived probability that the illegal "performance" will result in eventual punishment. In other words, expectancy (actually, the instrumentality) has risen, affecting the magnitude of the valence (in this case, reverse or negative valence). Similarly, the motivational impact of a given reward will increase when combined with an increase in the likelihood that the required effort will result in obtaining the reward.

### Comparisons with the Austrian Theories

Praxeology (the general theory of human action—a term used by libertarian economist Ludwig von Mises, a leading member of the "Austrian" School) is indifferent to the ultimate objectives of action, and is valid for all kinds of action regardless of their goals.<sup>22</sup> The

same applies to expectancy theories, since they allow for *any* goals that can be desired or valued, and demonstrate only *how* such desires stimulate action, while refraining from passing judgment on the action.

Both the Austrian and the expectancy theories also assume general hedonism. In fact, detractors have criticized expectancy theories because of their hedonistic assumptions.<sup>23</sup> Mises also made it clear that praxeology rests on the overall principle that human activity always seeks to remove uneasiness or to promote pleasurable or more advantageous conditions.<sup>24</sup> While it is true that some individuals engage in behavior that seems self-punishing, like wearing hair shirts or practicing asceticism, we can still say that they do so to remove some intellectual, emotional, or spiritual uneasiness, and the hedonic generalization still holds true. Even if we were to discard it, we could nevertheless point out that pleasure-seeking individuals by far outnumber those of the opposite inclination. For all practical purposes, then, the hedonic generaliza-

tion remains valid.

Both the Austrian and the expectancy theories also assume rational choice by individuals, as witness the following:

The theory is a cognitive one based upon a rational-economic view of people. It assumes that people are decision makers who choose among alternative courses of action by selecting the action that, at that time, appears the most advantageous.<sup>25</sup>

This might at first appear to have come from the pen of Mises or Hayek describing their economic theories, but the passage actually appears in a book on managerial psychology, describing expectancy theories. Human action, as Mises would put it, is *purposeful* behavior.

A fundamentally subjective approach is the cornerstone of both Austrian economics and expectancy theories. Both concepts assume *preferences* among goods and outcomes.<sup>26</sup> In addition, each type of theory is dichotomous. Austrian subjective value theory shows that both utility and scarcity must exist for a good to be valued. Expectancy theory, similarly, holds that positive valence and positive expectancy must be present for motivation to occur. And although the basic expectancy proposition is that motivation equals valence multiplied by expectancy, both it and the Austrian theories encompass factors that cannot be measured. Supporters of Austrian economics, in fact, emphasize that value is not subject to quantification or measurement.<sup>27</sup> As Austrian economist Eugen von Böhm-Bawerk explained, an individual maintains a mental ranking of the utilities of various goods—even of different quantities of identical goods<sup>28</sup>—but, as Cuhel, Mises and the later Austrian theorists demonstrated, it would be impossible to express in numbers the degree or magnitude of the satisfactions experienced by possessing or consuming them.<sup>29</sup> What units could possibly be invented to express such a personal thing as satisfaction or pleasure? We can say that activity A is more (or less) satisfying than activity B, but we can never say *how* satisfying in any meaningful way.

One recent management text notes that money often ceases to motivate an individual if he feels comfortable with

respect to income. Or, more to the point:

Whether money will motivate is to some degree a matter of the amount of money involved and the amount an individual is already earning. Generally speaking, the more people earn, the more they must receive to be motivated to work harder or longer. For example, the clerk who earns \$7,000 a year may be motivated by the prospect of earning an 8 percent raise, a total of \$560. To an executive who is earning \$70,000 the prospect of a \$560 raise will be considered an insult.<sup>30</sup>

*Like beauty, the processes constituting motivation and valuation lie in the mind of the beholder. But the idea that subjective judgments form the keystone of economic behavior and work behavior is upsetting to those who would prefer more simple and unified explanations that would be more compatible with social engineering schemes.*

This conclusion is wholly consistent with expectancy formulations about valences, which are totally subjective and always subject to change. Obviously, a wealthy person would not put the same high valence on an expected gain of a few hundred dollars that a blue-collar worker would. But more importantly, the concept that money has diminishing marginal utility, as implied by the preceding quotation, is virtually identical to the marginal utility idea promulgated by the Austrian school. When someone has available to him a very large amount of money (or of a good), the value he places on the use to which the last (marginal) unit would be put shrinks to insignificance. He would not value his 999th hundred-dollar bill nearly as much as his first one, because the use to which he would put this last bill would not be nearly as important to him as the use to which he would put the first one. And in this situation, the value he would place on the next \$100 bill to come into his possession (number 1,000) would be small—much less than the value he would place on his first, tenth, or fiftieth “C-note.” The prospect of acquiring the thousandth \$100 bill would therefore not be important enough to him to stimulate much effort to gain and possess it. Most other people’s behavior patterns would be similar, even though their value scales and

valences might differ greatly.

I do not know whether the expectancy theorists studied Austrian economics, but I suspect not. This makes all the more remarkable the fact that expectancy theorists independently reached the same conclusions attained by the Austrian economists about human thought and behavior.

Both the Austrian and the expectancy doctrines are “process” theories, and both repudiate any effort to define the *content* of value or of motivation. They explain how processes work, without mandating what is (or what “ought” to

be) valued or motivating. Rival theories, like those of Herzberg—and of Marx—attempt to analyze complex cognitive processes in simplistic, all-or-nothing terms. Herzberg is certainly no Marxist, but his naive assumption that workers would be highly motivated by “enriched” or “self-actualizing” labor

is unintentionally similar to Marx’s utopian idea that once freed from the “capitalistic” money motive, people would work joyously for the sheer pleasure of it. Most astute observers know that people work for specific purposes and that labor possesses a certain onerousness that most people would prefer to avoid if possible. Labor, as Mises put it, has a disutility.

The refusal of the Austrian and the expectancy theories to prescribe what individuals *ought* to value and what *ought* to motivate them, presupposes the philosophical conviction that each person must be presumed competent to decide such matters, and should be left free to do so. This is not to insinuate that Herzberg and Argyris and their followers lacked respect for others, but rather that the Austrian and the expectancy theories are more logically consistent ways of expressing such respect.

## Conclusion

Like beauty, the processes constituting motivation and valuation lie in the mind of the beholder. But the idea that subjective judgments form the keystone of economic behavior and work behavior is upsetting to those who would prefer more simple and unified explanations that would conveniently explain everything—and be more com-

patible with social engineering schemes. Those who would prefer to prescribe what people should and should not value, and by what they should be motivated or not motivated, would be on very shaky theoretical grounds if they recognized that only individuals can decide such things. This leaves little room for the "experts."

If national economic planning is ever adopted as the answer to low U. S. productivity, some program to increase worker motivation will be included. If past experience is any guide, planners will no doubt have very clear and simplistic ideas about what kinds of factors *should* motivate workers. And unless they accept the expectancy or the Austrian value theories, it is unlikely that they would allow for any attempt by managers to determine, on an *individual* basis, what each worker values most highly in work. Neither would they be likely to make much use of pecuniary incentives. Social planners, for the most part, have an antipathy to money.

But the fact that each person's values are unique and different makes money a good motivator for the great majority. Money can be used to buy so many different things—even leisure time, if one has enough of it—that it can satisfy the demands of most people, whatever their own definitions of how to live "the good life." □

#### Notes

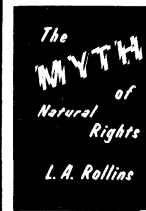
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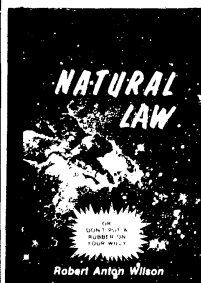
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## Symposium

# Breakthrough or Buncombe?

In the September issue of *Liberty*, Hans-Hermann Hoppe argued that the mere fact that an individual argues presupposes that he owns himself and has a right to his own life and property. This revolutionary thesis was bound to touch off considerable controversy. Here is some of it.

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### The Trouble with Hoppe

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by David Friedman

The argument, as I understand it, takes the following form.

1. If belief in a proposition is inconsistent with being able to defend it by argument, the proposition is false.
2. In order to argue about the truth of propositions we must have absolute self-ownership of scarce means, defined in objective, physical terms and obtained via homesteading.

Therefore

3. The denial of a libertarian ethic is false.

So far as I can see, both 1 and 2 are false.

With regard to 1, consider the proposition "One should never argue about what people should do." Belief in it is inconsistent with defending it argumentatively, but that tells us nothing at all about whether it is true or false. One could even imagine someone who did not believe in the proposition constructing a valid argument proving that it was true, although he would presumably stop speaking as soon as he had completely convinced himself.

As to 2, note that if it is literally true nobody, including Hoppe, has ever argued about the truth of propositions, since there are no completely libertarian societies in which to do so. That is obviously not true—and neither is the proposition from which it follows. One can think of an enormous number of non-libertarian ethics and non-libertarian societies consistent with people being able to argue in their defense.

Consider an ethic according to which people have absolute ownership over half their waking hours, and are obliged to spend the rest working for others—eight hours a day is enough time for quite an extensive philosophical argument. Or consider an ethic according to which we are obliged to spend all our time working for others, but defending that ethic classifies as working for others.

As a final example, consider an ethic according to which there are no rights at all; everyone is morally free to coerce everyone else whenever he can get away with it, but many people succeed in defending themselves well enough so that they control much of their own time. According to their ethic

they have no right to self-ownership, or to anything else, but they have physical control over themselves and are therefore able to make arguments. One might plausibly claim that this comes close to describing the world we now live in.

The extension of 2 to cover not only self-ownership but libertarian property rights as well, and even a particular libertarian theory of what property rights are like and how they are acquired, is if anything still less defensible—almost pure assertion, unleavened by argument. One can think of lots of other systems of property rights that would work at least well enough to keep some people alive to argue philosophy. Hoppe has somehow skipped from "your ethic must allow you to live" to "your ethic must do the best possible job of letting people live" to "you must accept Hoppe's preferred form of libertarianism" (via "Hoppe's preferred form of libertarianism does the best possible job of letting people live").

Counter-examples include all societies that have existed for as long as one generation, since in all such societies people did in fact live long enough to grow up and argue philosophy, and none of them were pure libertarian societies.

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### Beyond Is And Ought

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by Murray N. Rothbard

Prof. Hans Hoppe, a fairly recent immigrant from West Germany, has brought an enormous gift to the American libertarian movement. In a dazzling breakthrough for political philosophy in general and for libertarianism in particular, he has managed to transcend the famous is/ought, fact/value dichotomy that has plagued philosophy since the days of the scholastics, and that had brought modern libertarianism into a tiresome deadlock. Not only that: Hans Hoppe has managed to establish the case for anarcho-capitalist-Lockean rights in an unprecedentedly hard-core manner, one that makes my own natural law/natural rights position seem almost wimpy in comparison.

In the modern libertarian movement, only the natural rights libertarians have come to satisfyingly absolute libertarian conclusions. The different wings of "consequentialists"—whether emotivists, utilitarians, Stirnerites,

or whatever—have tended to buckle at the seams. If, after all, one has to wait for consequences to make a firm decision, one can hardly adopt a consistent, hard-nosed stance for liberty and private property in every conceivable case.

Hans Hoppe was schooled in the modern (in his case, Kantian) philosophic tradition, rather than in natural law, acquiring a Ph.D. in philosophy at the University of Frankfurt. He then moved to a dissertation in the philosophy of economics for his "second doctoral," or habilitation degree. Here he became an ardent and devoted follower of Ludwig von Mises and his "praxeological" approach, as well as of the system of economic theory Mises built on this approach, which arrives at

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*Hoppe has proven me wrong.  
He has done it: he has deduced an  
anarcho-Lockean rights ethic from  
self-evident axioms.*

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absolute conclusions derived logically from self-evident axioms. Hans has proven to be a remarkably productive and creative praxeologist (as far as I know) who arrived at the doctrine originally from philosophy rather than from economics. He therefore brings to the task special philosophic credentials.

Hoppe's most important breakthrough has been to start from standard praxeological axioms (e.g., that every human being *acts*, that is, employs means to arrive at goals), and, remarkably, to arrive at a hard-nosed anarcho-Lockean political ethic. For over thirty years I have been preaching to the economics profession that this cannot be done: that economists *cannot* arrive at any policy conclusions (e.g., that government *should* do X or *should not* do Y) strictly from value-free economics. In order to come to a policy conclusion, I have long maintained, economists *have* to come up with *some* kind of ethical system. Note that all branches of modern "welfare economics" have attempted to do just that: to continue to be "scientific" and therefore value-free, and *yet* to make all sorts of

cherished policy pronouncements (since most economists would like at some point to get beyond their mathematical models and draw politically-relevant conclusions). Most economists would not be caught dead with an ethical system or principle, believing that this would detract from their "scientific" status.

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*Hoppe has lifted the American movement out of decades of sterile debate and deadlock, and provided us a route for future development of the libertarian discipline.*

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And yet, remarkably and extraordinarily, Hans Hoppe has proven me wrong. He has done it: he has deduced an anarcho-Lockean rights ethic from self-evident axioms. Not only that: he has demonstrated that, just like the action axiom itself, it is impossible to deny or disagree with the anarcho-Lockean rights ethic without falling immediately into self-contradiction and self-refutation. In other worlds, Hans Hoppe has brought to political ethics what Misesians are familiar with in praxeology and Aristotelian-Randians are familiar with in metaphysics: what we might call "hard-core axiomatics." It is self-contradictory and therefore self-refuting for anyone to deny the Misesian action axiom (that everyone *acts*), since the very attempt to deny it is *itself* an action. It is self-contradictory and therefore self-refuting to deny the Randian axiom of consciousness, since some consciousness has to be making this attempt at denial. For if someone cannot attempt to deny a proposition without employing it, he is not only caught in an inextricable self-contradiction; he is also granting to that proposition the *status of an axiom*.\*

Hoppe was a student of the famous neo-Marxist German philosopher Jürgen Habermas, and his approach to political ethics is based on the Habermas-Apel concept of the "ethics of argumentation." According to this theory, the very fact of making an argument, of trying to persuade a reader or listener, implies certain ethical precepts: e.g., recognizing valid points in an argument. In short, the fact/value dichotomy can be transcended: the search for facts logically implies that we adopt certain values or ethical principles.

Many libertarian theorists have recently gotten interested in this kind of ethics (e.g., the Belgian anarchist legal theorist Frank Van Dun, and the British Popperian Jeremy Shearmur.) But theirs is a "soft" kind of argumentation ethics, for the question may always arise why one should want to keep an argument or dialogue going. Hoppe has gone

way beyond this by developing a hard-core axiomatic, praxeological twist to the discussion. Hoppe is interested, not so much in keeping the argument going, but in demonstrating that *any* argument whatsoever (including of course anti-anarcho-Lockean ones) must imply self-ownership of the body of both the arguer and the listeners, as well as a homesteading of property right so that the arguers and listeners will be alive to listen to the argument and carry it on.

In a sense, Hoppe's theory is similar to the fascinating Gewirth-Pilon argument, in which Gewirth and Pilon (the former a liberal, the latter a minarchist libertarian) attempted to say the following. The fact that X acts demonstrates that he is asserting that he has the *right* to such action (so far so good!), and that X is also implicitly conceding to everyone else the same right. That conclusion, though soul-satisfying to libertarians, and similar to praxeology in its stress on *action*, unfortunately didn't make it—for, as natural rights philosopher Henry Veatch pointed out in his critique of Gewirth: why *should* X grant anyone else's rights? But stressing self-contradiction in the *arguments* of non-anarcho-Lockeans, Hoppe has solved the age old problem of generalizing an ethic for mankind.

Nevertheless, by coming out with a genuinely *new* theory (amazing in itself, considering the long history of political philosophy) Hoppe is in danger of offending all the intellectual vested interests of the libertarian camp. Utilitarians, who should be happy that value-freedom was preserved, will be appalled to find that Hoppean rights are even more absolutist and "dogmatic" than natural rights. Natural righters, while happy at the "dogmatism" will be unwilling to accept an ethics not grounded in the broad nature of things. Randians will be particularly upset because the Hoppean system is grounded (as was the Misesian) on the Satanic Immanuel Kant and his "synthetic a priori." Randians might be mollified, however, to learn that Hoppe is influenced by a group of German Kantians (headed by mathematician Paul Lorenzen) who interpret Kant as a deeply realistic Aristotelian, in contrast to the Idealist interpretation common in the U. S.

As a natural righter, I don't see any real contradiction here, or why one cannot hold to both the natural rights and the Hoppean rights ethic at the same time. Both rights ethics, after all, are grounded, like the realist version of Kantianism, in the nature of reality. Natural law, too, provides a personal and social ethic apart from libertarianism; this is an area that Hoppe is not concerned with. A future research program for Hoppe and other libertarian philosophers would be (a) to see how far axiomatics can be extended into other spheres of ethics, or (b) to see if and how this axiomatic could be integrated into the standard natural law approach. These ques-

tions provide fascinating philosophical opportunities. Hoppe has lifted the American movement out of decades of sterile debate and deadlock, and provided us a route for future development of the libertarian discipline.

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## Raw Assertions

by Leland Yeager

Professor Hoppe says he can justify the libertarian private-property ethic without invoking any value judgments. Anyone who proposes any alternative ethic is, in doing so, contradicting what inheres in the very act of engaging in argumentation. Nonlibertarian proposals are falsified by the reality of proposing them. Argumentation is a form of action requiring the employment of scarce means, privately owned. Discussion presupposes that the participants recognize each one's exclusive control over his own body. Furthermore, argumentation could not be sustained for any length of time without private property in things beyond one's own body, property ultimately tracing to Lockean homesteading. Without private property defined in objective, physical terms, life, acting, and proposition-making would be impossible. "By being alive and formulating any proposition, then, one demonstrates that any ethic except the libertarian ethic is invalid."

The foregoing is an honest effort to restate Hoppe's position compactly. If I have not got it exactly right, part of the blame should fall on his loose style of exposition. The remarka-

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*It just is not an argument, not a mustering of factual observations and logical connections. It is a tissue of bald assertions. One cannot pick out fallacies of argument in a jumble of assertions that does not ascend to the level of argument at all, not even of fallacious argument.*

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ble thing about it is that Hoppe or anyone else should take it seriously as an argument. It just is not an argument, not a mustering of factual observations and logical connections. It is a tissue of bald assertions. One cannot pick out fallacies of argument in a jumble of assertions that does not ascend to the level of argument at all, not even of fallacious argument. Instead of feeling humiliated, this is what Denis Diderot should have recognized when, at the court of Catherine the Great, Leonhard Euler approached him and announced, in a tone of perfect conviction: "Monsieur,  $(a+b^n)/n=x$ , donc Dieu existe; repondez!" (De Morgan 1872/1954, II, 4, 339).

Counterexamples to Hoppe's assertions

\* The Thomist philosopher R. P. Phillips calls this attribute of an axiom a "boomerang principle . . . for even though we cast it away from us, it returns to us again," and illustrates this principle by showing that an attempt to deny the Aristotelian law of noncontradiction must end by assuming it. R. P. Phillips, *Modern Thomistic Philosophy* (2 vols., Westminster, Md.: Newman Bookshop, 1934-35), II, 36-37.

are abundantly available. It is perfectly conceivable that a slave-owner and his slave might debate some point of mathematics or of political philosophy, even the desirability of slavery itself, without one or both of their positions standing in logical contradiction with the fact that an argument was taking place. Their discussion does not presuppose either man's recognizing either one's "exclusive control over his own body." (Yet Hoppe makes the remarkably preposterous assertion that "No one could possibly propose anything, and no one could become convinced of any proposition by argumentative means, if one's right to make exclusive use of one's physical body were not already presupposed.")

To engage in discussion, the slave does not need any such exclusive control; all he needs is enough time to listen and to state his points, and perhaps enough time to study and reflect in advance. And the slaveowner might willingly allow this time to his slave. Perhaps he enjoys arguing with him and learning from him. Perhaps the discussions are the by-product of the slave's chief assignment, namely, to serve as tutor to the slaveowner's children.

Over the long span of human history, cases like this one probably have arisen; and other readily conceivable counterexamples puncture Hoppe's assertions. Suppose (contrary to fact, but suppose) that I am a sincere socialist who argues for government ownership of all means of production or at least of the "commanding heights" of the economy. In doing so I would not necessarily be contradicting any presupposition of the mere fact of engaging in controversy with Hoppe. Suppose I say: "I believe that socialism would greatly promote the prosperity and happiness of all the people. I am prepared to argue my case at length, using facts and analysis from economics, political science, sociology, psychology, history, and other fields of learning."

How might Hoppe respond? I can think of three possibilities.

(1) He might maintain that his own principles or argument or dogma required sticking with libertarianism nevertheless, even if socialism did seem likely to bring greater prosperity and happiness. In rejecting such a position, I would not be committing an obvious logical blunder. If I were right and socialism would in fact bring peace, prosperity, good-fellowship, and universal happiness, would Hoppe nevertheless maintain that his argumentation ethic ruled socialism out and required us to stick with laissez-faire capitalism? If so, his alleged arguments would be proving too much. How could a warning against alleged logical incompatibilities with the presuppositions of discourse condemn mankind to forgo the bliss otherwise available?

(2) Hoppe might enter into discussion with me, showing that my supposed facts and reasoning were full of errors and that so-

cialism was in fact likely to bring less, not more, prosperity and happiness than libertarianism. But by embarking on that line of discussion—a broadly utilitarian line—Hoppe would come close to conceding that his own a priori argument is not decisive after all—which is my own point. (If a particular argument really is decisive, then tacking on further, nondecisive, arguments only weakens the case by diverting some attention away from the truly decisive one.)

(3) Hoppe might refuse to enter into discussion with me at all, which refusal would itself suggest something about his own case or method or attitude. So, presumably, would some fourth response that I cannot now imagine.

I might be wrong in my arguments for socialism, just as the slaveowner or the slave or both might be wrong in the particular arguments that one or both of them might make

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*Hoppe apparently claims to get an "ought" from an "is." Yet no policy position, no recommendation, can follow purely from factual and logical analysis, without admixture of any conception whatsoever of what is desirable or undesirable.*

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for or against the institution of slavery. But one can be wrong without falling into self-contradiction, without illogically contradicting any implications or presuppositions of the very fact of engaging in argument itself. Anyone who wants to identify certain arguments as wrong has to tackle those arguments themselves, pointing out whatever factual and logical errors they may contain (if they are in fact arguments, as opposed to mere assertions). It does not work simply to assert that the very fact of argumentation implicitly constitutes an endorsement of the objector's (i.e., Hoppe's) contrary position.

Beyond the middle of his article, somewhat shifting his ground, Hoppe appeals to what is necessary "to sustain argumentation for any length of time." But presenting an argument does not presuppose being able to sustain it. Consider a fatally ill person who has no hope of being able to continue arguing much longer. He might nevertheless take satisfaction in using his remaining time in the skillful application of his mind, trying to achieve and propagate correct arguments. The truth or fallacy of certain arguments does not hinge on their makers' being able to survive and continue to press them.

In places Hoppe veers close to a utilitarian argument, as when he appeals to the unsatisfactory consequences that would ensue if late-comers were assumed to have ownership claims to resources and if, consequently, no one were allowed to do anything with any-

thing without the prior consent of all late-comers. For these and other broadly utilitarian reasons, I agree with Hoppe on the desirability of a capitalist system and on a broadly libertarian conception of personal rights, including property rights. I am not disagreeing with Hoppe on the substance of the good society, so far as he gets into substance in the particular article under discussion. I am objecting to his presenting assertions under the false label of argumentation.

Hoppe apparently claims to get an "ought" from an "is." Yet no policy position, no recommendation, can follow purely from factual and logical analysis, without admixture of any conception whatsoever of what is desirable or undesirable. I believe that broadly libertarian positions can be derived from positive analysis combined with a tame, not-very-controversial value judgment, namely one against human misery and in favor of survival, flourishing, happiness, fulfillment, Aristotle's eudaimonia, or however exactly one may label such a desirable condition. Even Hoppe himself, in some passages, implicitly appeals to some such broadly utilitarian criterion. One might as well not kid oneself about the dispensability of value judgments.

To summarize, Hoppe is not presenting an argument. He is making a mere bald assertion, namely, that anyone who disagrees with his libertarian conception of human and property rights is committing a logical blunder by contradicting what he must necessarily be asserting in venturing even to disagree. He does not and cannot support this assertion. Is is a pathetic example of the futile old trick (notoriously perpetrated in recent years by Alan Gewirth) of trying to get substantive conclusions out of mere formal or procedural premises. Counterexamples to Hoppe's position are readily available. I am astonished that anyone should take it seriously.

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## Radical & Quasi-Kantian

by David Gordon

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Hans Hoppe's remarkable argument has already generated a great deal of controversy. In part, this stems from objections to particular steps of his argument; in part, from more general considerations. His startling claim that to deny libertarian rights is self-contradictory rivets one's critical attention, because of its very radical character. Further, the Kantian background of the argument has aroused suspicion, since largely under Randian influence many libertarians think of Kant as an opponent of reason.

I should like briefly to address these two issues. I cannot here undertake an account of each step of Hoppe's argument, but I hope



that the following brief remarks will help those who wish to evaluate the argument for themselves.

Hoppe does not contend that the statement "People have libertarian rights" is a truth of logic: its negation is not self-contradictory. Rather, if one denies the statement, one contradicts oneself. It is *asserting* the statement's negation that Hoppe claims is contradictory. Similarly, the statement "Reagan is dead" is not logically self-contradictory, but if spoken by Reagan its assertion involves paradox, since his saying it implies that he is not dead.

Paradoxes of this sort, often termed performative contradictions, are a lot of fun and have considerable philosophical importance. (A recent discussion is Roy Sorensen, *Blindspots*, Oxford University Press, 1988.) But although the contradiction just mentioned really is part of Hoppe's argument, it is not the whole of it. The vital core of Hoppe's case is that to claim that a statement is true is to claim that the statement can be supported by argumentation: and argumentation by its nature implies libertarian rights. The performative contradiction is just one step in Hoppe's progress.

Thus, it is not right to say that Hoppe's sole conclusion is that those who deny libertarian rights ought rationally to "shut up." However desirable this state of affairs would be, it alone would not suffice to show that anyone has libertarian rights. It is the whole argument, if successful, that demonstrates this, not the contradiction considered in itself.

On the second topic, the argument's Kantian background, one must distinguish between the argument itself and Hoppe's views of epistemology. Hoppe is a Kantian of sorts, although decidedly not a skeptic about our knowledge of the external world. But his argument about rights does not depend on any controversial positions in the theory of knowledge. It is quite compatible with any of the standard options in epistemology, including direct realism.

The argument is also neutral on another Kantian claim. Kant believed, or so, at any rate, he is usually taken to say, that the laws of morality are purely formal and involve no appeal to human nature in their derivation. To appeal to human nature was in Kant's view to rely on particular facts that might have been otherwise. Moral truths, by contrast, apply necessarily to all rational beings. Whatever one thinks of this way of looking at morality, Hoppe's argument does not involve it. To be sure, the argument itself does not appeal to human nature: but nothing in the argument rules out such appeals or requires that one accept a Kantian analysis of morality.

I said that I would leave the task of detailed evaluation of Hoppe's argument to the reader. One suggestion, however—it will be very helpful to consider exactly what Hoppe means by argumentation.

## Beyond Is and Nought

by Ethan O. Waters

Prof Hoppe's seductive proof of the libertarian imperative is more limited in scope than he imagines. Hoppe argues that the mere fact of argument proves that the arguer is an owner of self and all the various rights to homestead, to own property, etc. that conventional libertarian rights advocates delineate and defend.

Since people have been arguing through all human experience, it would seem to follow that they have always been self-owners and possessors of rights. In fact, by Hoppe's logic, it is hard to imagine how any idea other than self-ownership could ever have arisen. But plainly there have been slaves through much of human history, and plainly even when some of the rights Hoppe proposes have been recognized, people have never enjoyed the society that Hoppe's view entails.

The problem with his thesis, it seems to me, is that it fails to establish context.

Consider the following argument, similar in form to Hoppe's: Life requires food; to live one must eat. Therefore all living people eat. Does this mean that all living people are constantly eating? Such a conclusion flies in the face of all experience, just as the conclusion that all men are self-owners flies in the face of experience: through much of human history, many humans have been slaves; through virtually all human history, virtually all humans have been no more than partial self-owners.

Hoppe has proven that in order to argue, one must in some sense be a self-owner. But virtually all of argument-filled human history demonstrates that the context of self-ownership can be very limited. An individual who "owns himself" when he is arguing with others (or himself), might in all other respects be a slave. In some sense it is impossible to argue without presuming ownership of oneself. But does this establish the libertarian ethic? No more than my argument about eating proves that one must eat constantly.

Virtually every argument I know that attempts to prove the universal moral imperative to respect others' rights (i.e. the nonaggression axiom) ultimately fails when stripped of verbiage and put into propositional form. Instead of proving that one must always respect rights, such arguments prove that rights must sometimes be respected. This conclusion has no significant impact on social or political theory.

The task of those seeking to establish the libertarian ethic is not simply to show that people possess rights that must be respected at some times and in some ways, but to show that the rights must be respected universally, in all contexts and in all ways. Hoppe fails at this task, as others have failed before him.

What course should libertarian moral thinkers pursue? Instead of attempting to prove that respect for human rights must be absolute and universal, which has been the

approach of most contemporary libertarians (e.g. Rand, Hoppe, Rothbard), libertarian thinkers should seek to demonstrate that the respect for rights should be maximized.

This approach has three advantages. First, it can avoid the traps and pitfalls that cause such arguments to fail, either because their conclusions are trivial or because they fail to follow from their premises. Second, it can

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*Consider the following argument, similar in form to Hoppe's: Life requires food; to live one must eat. Therefore all living people eat. Does this mean that all living people are constantly eating?*

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avoid the silly moral dilemmas that intrude into so many discussions premised on the existence of mysterious "natural rights." And third, it can be pursued by economic and utilitarian arguments, an approach that promises wider acceptance, since it speaks in a vernacular that is comprehensible to most people.

The thinking that results from this approach, as exemplified by the work of such figures as Mises and Buchanan, is not only respectable, but true. And this is the greatest advantage of all.

## One Muddle After Another

by David Ramsay Steele

If I have understood Hans-Hermann Hoppe's argument, it is unsound. Maybe I haven't understood it, in which case it is too obscure, and he needs to elucidate it. By pointing out some shortcomings of Hoppe's apparent argument, I may encourage him to explain precisely how his actual argument differs from his apparent argument.

Hoppe claims that "the libertarian private property ethic" is "the praxeological presupposition of argumentation." What does he mean by "praxeological presupposition"? As an illustration, he cites: "people are, and always shall be indifferent towards doing things." Hoppe contends that this proposition is "falsified" by the fact that it is uttered. I think I see his point. He defines "indifferent" so that people cannot do anything if they are indifferent to it, and he defines "doing things" so that it includes "uttering propositions." Hence, the proposition that people are always indifferent towards doing things entails that people never utter propositions, and is therefore, as he aptly puts it, "belied" by the uttering of that proposition (unless the utterer is not a person). "Praxeological presupposition" evidently means the absence of any state of affairs—in this instance, that people are always indifferent towards doing things—whose description contradicts what is being asserted.

A simpler case would be someone saying

"No one ever says anything." This assertion is, loosely speaking, refuted by the act of saying it. If someone says something (anything), he thereby provides good evidence that it is not the case that no one ever says anything. This sort of thing is usually called a "pragmatic paradox" or "performative inconsistency." It owes nothing to Mises or praxeology. One might be tempted to call it a "self-contradiction," but strictly speaking, a proposition can be contradicted only by another proposition, and the person in question has *not* stated: "I am saying something." ("No one ever says anything" could also be interpreted differently, as a claim, perhaps by a Buddhist, that egos or selves are not really the initiators of thoughts and propositions, that propositions are not uttered by persons, but happen to them. To avoid taking sides in that controversy, we could change the sentence "No one ever says anything" to "No proposition ever happens," retaining the self-refutation.)

Note that this "belying" would not arise if someone said: "No one ever *should* say anything." No self-refutation occurs here, since the statement "Someone says something" (tense indeterminate) or "I am saying something" doesn't contradict the statement "No one ever should say anything." (Self-refutation or "belying" would occur if someone wrote a book arguing that no one ever writes books, but no self-refutation or belying occurs if someone writes a book arguing that no one ever should write books. It would seem to follow, of course, that the author of such a book was doing something he, by his own standards, shouldn't do, but this is quite

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feasible—it happens all the time and there is nothing absurd about it—and even this "inconsistency" could be removed by changing the example so that someone—William Morris? T. S. Eliot? Marshall McLuhan?—writes a book arguing that we ought to create a state of affairs where no one writes books, i.e., "No one should ever write books" in this case means "There should prevail a state of affairs where no one ever writes books." Here there is no inconsistency of any kind—this proposition might even (along with one or two descriptive propositions) imply that a book should be written, if it happened to be the case, for instance, that writing a book was an effective way to bring about a state of affairs where no one wrote books, as voting for

Hitler in 1933 was an effective way to bring about a state of affairs where no one voted.)

Hoppe apparently holds that to say "I favor a non-libertarian ethic" is self-refuting in the same way as "No one ever says anything." But whereas it is clear that by saying something one is providing conclusive evidence for the proposition "Someone says something," which contradicts "No one ever says anything," it is far from clear that someone who merely utters any proposition is providing evidence for a proposition which contradicts "I favor a non-libertarian ethic."

In the case of "No one ever says anything," the speaker is performing an action the fact of whose performance is denied by what he says, because what he says denies the fact of the performance of an entire class of actions to which the action he is performing belongs. No such relationship holds between "I favor a non-libertarian ethic" and the performance of the action of saying this, since "I favor a non-libertarian ethic" is not a factual statement about a class of actions, and I don't see how a factual statement about a class of actions can be extracted from it.

Hoppe seems to vaguely sketch an argument something like the following. For a person to utter a proposition requires that he has exclusive control over his own body. To have exclusive control over one's body is to have a property right in one's body, and vice versa. To have private property is to be in favor of private property, and vice versa. To say "I favor a non-libertarian ethic" is to be against private property, and vice versa. There is a contradiction between being against private property and being in favor of private property. Hence, there is a contradiction between uttering a proposition and being in favor of a non-libertarian ethic. This argument is defective in several ways:

1. To utter a proposition is not to have exclusive control over one's body. Slaves may utter propositions. In many societies the bodies of wives have been in some respects under the control of their husbands, but these wives have been able to utter propositions.

2. It is correct that to have exclusive control over one's body is to have a property right in one's body; at least, I accept this as a good usage of "property right," and I am prepared to set aside the problem of defining "exclusive control" so that when two people collide we can somehow define their respective spheres of control as "exclusive." The converse is wrong, however. One can have a property right in one's body without having exclusive control over it, just as one can have a property right in any resource without exclusive control over it. (One could define property rights so that they were confined to cases of exclusive control, but, apart from the problems of defining "exclusive," this would have unwanted consequences; for instance, taken together with some of Hoppe's other usages, such as the identification of private

property with libertarianism, any instance of non-exclusive rights, such as rights of flying over land but not exclusively controlling the airspace, would prevent a society from being libertarian.)

3. It is correct that to have private property in one's body is to have (some amount of) private property, but the converse is wrong. Slaves can have their own private possessions, though they do not own their bodies. (One might want to say that in this case, they must have some element of property right in, or control over, their own bodies—they are

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*If it were really the case that a libertarian ethic were the praxeological presupposition of proposition-making it would follow that all societies in which propositions were uttered, including our existing society, would be libertarian.*

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not "pure slaves"—but this would reinforce the point that a property right doesn't necessarily or usually mean *exclusive* control.)

4. It is mistaken to hold that having private property is being in favor of private property, or vice versa. Someone who owns private property might be against private property. Someone who owns no private property might be in favor of private property. Acting so as to exercise a right is not necessarily to claim or endorse that right, and does not commit one to favor that right.

If it were true that the implementation of a non-libertarian, anti-private property ethic would somehow prevent anyone's being able to utter any proposition, this would certainly be a devastating argument against a non-libertarian ethic, though it would be an argument of the kind against which Hoppe has some unpleasant things to say, resting as it does on the "matter of subjective whim, void of any justification beyond the mere fact of being liked," to wit, that people prefer a social order in which individuals are able to utter propositions. But in any case, such an argument would be manifestly wrong: most historical and present-day societies were and are non-libertarian, but in *every* society individuals utter propositions. If it were really the case that a libertarian ethic were the praxeological presupposition of proposition-making, in the same sense that non-indifference is the praxeological presupposition of proposition-making, then it would follow that all societies in which propositions were uttered, including our existing society, would be libertarian, just as they are all "non-indifferent."

Hoppe also contends that uttering propositions necessarily involves the appropriation of scarce resources "through homesteading action," because otherwise one could not be alive, and thus could not utter propositions.

But many societies have enabled individuals to survive, without implementing a system of private property, and even where private property exists, it is often not customarily appropriated through homesteading, but, for instance, through a decision of the political rulers. Hoppe says: "For if no one had the right to control anything at all, except his own body, then we would all cease to exist." There are two mistakes here: 1. It is necessary that people control things to be able to continue to exist, but it is not necessary that people have a right to control things in order to control things. (A soldier may control "his" rifle, yet he may have no right to control it; that is, he controls it only as long as his superior officer says he may, and only in the ways permitted by the superior officer. If one calls even this the soldier's "right," then that renders the "right" useless for Hoppe's argument, as well as adding force to my next point.) 2. The right to control something is not necessarily appropriation of private property, let alone appropriation of private property by homesteading. Many of the historical non-private property systems have enabled people to control things, and even given individuals limited rights to control things. Thus, a hunting tribe may survive very well, giving individuals limited rights to control game, without ever permitting any individual to own outright (in the Lockean sense) a piece of land or an animal. Nothing prevents the members of such a tribe from uttering propositions, and when they do, they're not necessarily belying anything they say.

It is of course truistical that, to be able to utter a proposition, a person must have some degree of control over his body, but this degree of control is permitted to him in all historical property systems and in all property systems that have ever been proposed. Even if someone advocated a property system which did not permit all or most of its members to utter propositions, though this would be bizarre, it would not be self-refuting in the sense Hoppe wants, because the advocacy would refer to a possible future system, and not to the system within which the advocacy was being uttered.

Hoppe further claims to use his "praxeological proof" to show the "praxeological absurdity" of any "consequentialist ethic," though in fact he here simply presents a new argument, if an equally unconvincing one. It seems to me that a consequentialist is in a position analogous to that of an advocate of public health measures, such as clean water. At time T1 a certain system of rights is advocated. At time T2 this system is implemented. At time T3 it has the beneficial consequences foreseen at T1. This is, according to Misesian praxeology, the only possible pattern of rational action: the employment of means because it is foreseen that they will lead to a desired end. The idea that consequentialism somehow involves "waiting for the outcome" before assigning rights is just a very elemen-

tary misunderstanding.

The argument I have been examining throughout this article is one muddle after another and falls apart rather dramatically in several places. But this argument is perhaps not Hans-Hermann Hoppe's—it is my attempt to guess what his argument might be. However, any such argument must show that "I favor a libertarian ethic" follows from "I am saying something," and it seems obvious to me that this cannot be shown.

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## A Matter of Degree

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by Mitchell Jones

In order to argue you must be alive. And that means you must have sufficient access to property—to food and other necessities—to maintain your life. But having some degree of access to property is not the same as having your property rights respected. Slaves in the Soviet Gulag generally have enough access to property to maintain life and the ability to argue, and they doubtless argue from time to time. Yet few would allege that their property rights are respected.

Moreover, even if being alive *did* require the enjoyment of private property without interference, that would still not be the same as *having a right* to enjoy property without interference. Being alive surely presupposes access to food; but, just as surely, it does not presuppose that you have a *right* to access to food, or even that the particular food to which you have access is yours *by right*. (Consuming *stolen* food can sustain life and the ability to argue.)

Hoppe maintains that, "Anyone who would try to justify any norm of whatever content must already presuppose an exclusive right of control of his body simply in order to say, 'I propose such and such.'" Can he really not see the difference between saying, "To speak you must have control of your vocal apparatus," and saying, "To speak, you must have a *right* to control your vocal apparatus"? Does he really intend to make no distinction between having control of a piece of property and having *the right* to control it? He repeats this error over and over. He says: "If no one had *the rights* to control anything at all, except his own body, then we would cease to exist and the problem of justifying norms—as well as all other human problems—simply would not exist" [emphasis mine].

Some degree of access to and control of property is necessary to human survival, and this applies both to the survival of individuals and to the survival of social groups. Proof of this, however, is quite a different thing from proof that the private property system contained in the theory of natural rights is necessary to human survival and, hence, is necessary to propositional argumentation. The former proof is a simple matter; the latter, most assuredly, is not.

I am a believer in the theory of natural rights. But this does not obligate me to endorse blindly every argument that is offered in its support. The cause of liberty is poorly

served when its proponents march into battle with unsound arguments. Natural rights cannot be validated by ethical argument or by economic ("praxeological") argument because they are the product of jurisprudence.

Historically, the doctrine of natural rights goes back to the tradition of English Common Law. This tradition developed over a period of some 600 years, during which English judges had an incentive, in most cases, to maintain a strict impartiality and to attempt the reasoned settlement of disputes. Natural rights are the juridical methodology

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which resulted from this attempt, and which necessarily must result whenever judges make a sustained attempt to settle disputes on the basis of reason. The same methodology arose independently, from the same cause, in the courts of the Roman Republic. To the Romans, the methodology was known as *ius naturale*, or natural justice.

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## A Retreat From Marginalism

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by Timothy Virkkala

The striking thing about Hans Hoppe's "praxeological proof" of the libertarian, private-property ethic is not that it is a string of non sequiturs wound around an assumed ideal of "consistency"—after all, certain types of minds enjoy such things, and many libertarians have produced similarly pointless arguments. What is striking about Hoppe's contribution is that such an Un-Misesian thing could be perpetrated by a devotee of Mises, all in the name of Mises and praxeology.

Hoppe has emphasized the most controversial (and least defensible) aspect of the Misesian formulation of praxeology—the so-called "a priorism"—and allowed his obsession with this to derail his understanding of the whole point of praxeology. Praxeology is a philosophical discipline that can be used in a great variety of contexts to help us understand, interpret and explain human action. It cannot prove this or that ethical system, this or that value. Mises was very clear on this: he stated, over and over again, that the praxeologist has no scientific warrant to claim that one value a person has is superior to another value that same person has, even when those values seem to conflict. (When a person makes a long term plan and then spontaneously acts in a way that unsettles the plan, for example, Mises argued that that person, despite his *inconstancy*, has nevertheless acted *consistently* in a praxeological sense.)

Likewise, praxeologists have no warrant to prefer the values of one person over another.

By concentrating on "a priorism" Hoppe has fallen into the error of regarding ethics as *not* primarily made up of values. He has fallen short of a genuinely praxeological understanding of ethics, and has not realized that even "objective" standards must be argued for in terms of values and preferences.

(It may be true that argumentation presupposes a value system, but the normative underpinning of argumentation may be something as humdrum and as minimal as logic [this was C. S. Peirce's opinion]. And logic does not have anything very substantive to offer ethical and political theory.)

Arguing to demonstrate facts and arguing to "demonstrate" values are two very, very different things. Facts can be proven, but values cannot. The fact/value dichotomy is assumed by Mises and lies at the heart of praxeology.

When a person argues with another person for the value of something his effective arguments will resemble an argument about facts only when he is trying to demonstrate instrumental value—for instances, when he tries to show that a thing has a high marginal productivity in a given process of production, or when he expects that a certain person will fetch a good price on a slave market.

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These values are productive of other values, and sometimes their productivity can be measured in an objective sense. But the values which they promote cannot be measured, and arguments for those ultimate (or, for the economist, consumer) values cannot be argued for in the same manner. Values are neither "true" nor "false," but approved of or not. They vary in intensity, and they are subjective. My values are not your values, and you cannot demonstrate by a string of syllogisms that I am wrong and you are right.

People are convinced of ethical systems and values for practical reasons, reasons that are more concerned with pleasure and pain, satisfaction and dissatisfaction, than with the narrower realm of truth and facts. Effective ethical arguments tend to look like this:

"Consider the effects of acting that way—don't you see that it leads to misery?"

"Consider your longer term desires—the plan you now follow does not take into account your likely future desires. Extend your time horizon!"

"How would you like it if someone did

that to you? Just imagine what that person feels like now that you have done that!"

"If you do this, I will have no respect for you as a person."

"If you do that, I will feel perfectly justified in coercing you."

These arguments provide practical reasons for a person to act in such and such a way, to avoid this or that consequence. Praxeology can help us understand ethical reasoning, but it cannot help "prove" any particular morality. Of course, those who understand what is going on when people moralize are more apt to make better judgments (according to their own lights) about the ethical and political norms they will support and act upon. I suspect that, just as people who have a praxeological understanding of economic issues tend to support free markets, so will those who gain a praxeological understanding of ethical suasion come to favor libertarianism. But never, ever will libertarianism be "proved."

Most amusing about Hoppe's argument is how it seems to be a retreat from marginalism, the central insight of praxeology and of modern economic thought in general. The error of the classical economists was to think in terms of classes of goods: "labor" and "water" and "diamonds." Because of this, they were very confused by the reality of subjective value. They would say things like, "Surely water is more valuable than diamonds—after all, without water, we would all die of thirst!—but diamonds are nevertheless more highly valued in the marketplace." The solution to this problem that Carl Menger and other economists of the "marginalist revolution" discovered was that people choose—and thus evaluate—discrete, specific goods, not classes of goods. The scarcity of diamonds tended to make individual diamonds more valuable than ubiquitous water; in the desert, however, water becomes scarce and both its subjective value and its price tend to rise.

Hoppe seems not to have realized that theorists attempting to link praxeology with ethics by way of "argumentation" should take the hint from marginalist economics, and avoid falling into the trap of thinking in terms of whole classes of activities instead of discrete acts and particular arguments. The fact that I argue now says no more about other activities I may engage in at other times than the fact that at present I value diamonds greater than water says about how I will evaluate the two when I am dying of thirst in the desert.

A "morality" is a system of norms and ideals that people articulate to influence the behavior of themselves and others. Sometimes their arguments will provide egoistic reasons for acceptance; other times they will try to promote empathy and altruism; still other times they will threaten people with the withholding of respect; other times they will threaten with initiating or retaliating with coercion. These four types of argu-

ments are very different, and all are present in *every* robust system of ethics, including the fairly narrow libertarian political ethics. People choose to argue as they do for reasons that are quite explicable to the praxeologist. But since Hoppe does not consider these forms of argumentation—the only types of arguments in ethics that are really relevant to praxeology—one should question how "praxeological" his reasoning is at all.

Hoppe's use of Mises is a misuse. Had Hoppe not mentioned Mises over and over, I would never thought of Mises as a forerunner to his work. Moreover, the counter-Misesian nature of his enterprise has disastrous effects: his argument for freedom is *ineffective*, unable to persuade normal people who—as every good praxeologist knows—seek advantages and satisfactions. By avoiding any appeal to values he has articulated an argument that is not merely "wrong," but pointless. Of what use is an ethics that can't convince?

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## Arguing and Y-ing

by Douglas B. Rasmussen

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Is Jürgen Habermas really a libertarian?

The question is not exactly accurate or fair to Professor Hoppe. Hoppe's "argumentation ethics" is not exactly the same as the neo-Marxist Jürgen Habermas's famous "discourse ethics," but there can be no doubt that Hoppe is following a strategy similar to that of Habermas. Both claim that certain norms are presupposed by the activity of arguing for the truth or falsehood of propositions and that these norms are crucial to understanding not only what reason is but what indeed facts are. Further, there can be no doubt that the shadow of Kant looms over both; for they each ask in their own way this transcendental question—What are the conditions for the possibility of argumentation?

In many respects Hoppe's views are clearer than Habermas', and that, thank goodness, is all I need say here.

Hoppe seeks to show that the proposition "Lockean private property ethics is without rational foundation" is false, and it is false because the very activity of arguing for this proposition, or for that matter any other proposition, presupposes that the proposition "Every human being has a right to exclusive use of his body and his property" is true. In other words, a necessary condition for the very possibility of the activity of arguing for the truth or falsehood of any proposition is the truth of the Lockean private property ethic. Thus, anyone who engages in the activity of arguing for the truth of the proposition "Lockean private property ethics is without rational foundation" is involved in a performative self-contradiction; for the activity of arguing for this proposition could not exist unless it were true that people had Lockean rights. The contradiction involved is not semantic, but practical—it pertains to the *activity* of arguing for a proposition. The contradiction would be like someone *saying*

"Speech acts do not exist"—the truth of this proposition would be in conflict with the activity which makes its existence as a proposition possible.

Does this argument work? Transcendental arguments are always tricky, especially this one. It is tricky not only because it involves a claim about an ethics that is allegedly inherent to the activity of arguing but also because it holds that the very activity of evaluating Hoppe's argument that I am beginning to engage in here and now presupposes that people have Lockean rights. Thus, if I argue for the truth of the proposition "Hoppe's argument does not provide a rational justification for Lockean rights," he will claim that I am involved in a performative self-contradiction, and thus the claim that people have Lockean rights is justified. So, it seems that his argument is unassailable. Yet, a transcendental argument can nonetheless be evaluated. We ought not accept Hoppe's claim that Lockean rights are necessary for the possibility of argumentation: merely on faith. We ought to examine his argument. I will do so by answering three questions concerning his argument: (I) Does Hoppe's transcendental argument meet the conditions that are necessary for such an argument to be successful? (II) Does he uphold his claim to justify Lockean rights without appeal to some normative premise? (III) What difference does his argument make to how someone should act?

### Transcendental Meditations

A transcendental argument seeks to show that something, call it X, cannot be rejected and must be accepted as true because the very process of rejecting X depends on something else, call it Y-ing, and Y-ing could not exist unless X were the case. X is necessary for the very possibility of Y-ing. For a transcendental argument to work two things must be the case: (1) Y-ing is something that is unavoidable; and (2) X is indeed necessary for the very possibility of Y-ing. In other words, a universal negative proposition, "No Y-ing is possible unless X is the case," must be true. A transcendental argument is no better than the unavoidability of Y-ing and the truth of the universal negative proposition it implicitly affirms. In Hoppe's case, is argumentation (Y-ing) something which is unavoidable, and is there no possible way to engage in argumentation (Y-ing) other than through the acceptance of the truth of Lockean rights (X)?

Hoppe sees argumentation as the means by which we justify propositions. Argumentation is a cognitive activity. It is how we come to know what the truth is or what the facts are. It is usually an activity that involves others, but it does not have to. One can argue for a proposition in order to convince others or just oneself (in Hoppe's terms, "as an internal thought"). Argumentation does not, however, consist in free-floating propositions. Propositions do not exist unless there is an individual human being who decides to take the time and effort

to propose propositions.

Is argumentation something unavoidable? This is hard to say, because Hoppe really says very little about what argumentation is. Is it the case that we only know propositions to be true through argumentation? Are perceptual judgment, known to be true by argumentation? What of so-called "self-evident" truths? Is, for example, "A whole is greater than one of its parts," known to be true because of argumentation? I assume that Hoppe does not confine argumentation to deductive argumentation, but what are the limits on his notion of argumentation? Also, are we to assume that there is no such thing as nonpropositional knowledge? What of perception, conception, intuition, and even revelation? If there is nonpropositional knowledge or if we know some propositions to be true without argumentation, then argumentation seems not to be necessary for knowledge or justifying all truth claims and does appear to be avoidable in those cases.

Even if there is nonpropositional knowledge and nonargumentative means of justifying a proposition's truth, it might, however, be the case that the type of knowledge that is most important is just that which is acquired by argumentative means. We want to know not merely that something is so, but *why* it is so. Giving reasons as to why something is true is what cognitively matters most. Can people avoid doing this? Trying to show why what they believe is true is actually true is something that people do not have to do. My experience has been that it certainly seems possible for people to avoid engaging in any attempt to justify their beliefs. Indeed, many fervently have no desire to engage in argumentation. Further, there are others for whom there is not even a reason why they do not try to investigate the truth or falsehood of their beliefs, they just do not bother. It never enters their mind. To the extent people choose to know the what's and why's of the world, argumentation, broadly conceived, is unavoidable, but to the extent people do not choose to know the what's and why's, it seems something quite avoidable.

It seems that if Hoppe's argument works, it will work for people who care about justifying their beliefs; for those that do not care, then the argument does not succeed. Those that do not care to argue may even have beliefs that amount to a denial of Lockean rights, but since they do not engage in argumentation, they are not caught in any practical inconsistency.

Hoppe claims that no activity of arguing is possible unless people have Lockean rights, because if someone does not have exclusive use and control over his own body, e.g., his brain, mouth, tongue, and vocal cords, then arguments for propositions cannot be made. Moreover, if there is not a human being who can in general use his entire body as he sees fit, there cannot really be any argumentation. The ability exclusively to use and control one's body explains the unique

feature of propositional exchanges: the recognition that there are differing views—what Hoppe calls "agreeing on the fact that there is disagreement." A universe in which no one has exclusive control over his body is a universe in which argumentation cannot occur.

It is, however, by no means clear why the ability to exercise exclusive control over one's body is necessary in order to explain the supposedly distinctive feature of propositional exchanges, namely, the agreement that there is disagreement. This claim requires further defense and development. Yet, even if it is

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granted that exclusive control not only of certain body parts but one's *entire* body is required for argumentation to occur, why is it necessary for everyone to have such control over his body? If one can argue with oneself—assert a proposition as "an internal thought"—why is it necessary that there be others who can exclusively control their bodies? Is not it possible for there to be some philosopher-king who has either absolute or partial control over what others can do with their bodies and nonetheless engages in argumentation with himself regarding what propositions are true and what are false?

It seems that Hoppe has a suppressed premise—namely, argumentation is necessarily an intersubjective process. If one did not first argue with others, one could not argue with oneself. Yet, it is not at all obvious why this must be the case. Hoppe might contend that argumentation is necessarily intersubjective because it involves language and the function of language is communication with others. This gambit does not, however, work. The primary function of language is not communication but cognition—if one is to communicate with others, one must first have something to communicate. Without language thought would be severely limited; only abstraction for which there was a direct referent would be possible. Yet, there is nothing necessarily intersubjective about cognition.

I do not think it is necessary to become a Cartesian "ego" to claim that determining the "validity" of propositions is not necessarily something intersubjective. Thus, I see no reason why *everyone* must have exclusive use and control over his entire body in order for the activity of argumentation to exist. Why not only one? Or, why not just an elite few? Finally, as I think of it, why would it be impossible for slaves to consider whether the propositions the philosopher-king proposes



are true or false? Admittedly, they might not have much of a motivation to do so, but I don't think it is impossible. But that's what Hoppe has to show. I believe there is much to Hoppe's position that is unstated. Perhaps, it is in his book.

### Value-Free Presuppositions?

So far, I have spoken of whether it is necessary for everyone to have exclusive use and control of his body in order for the activity of argumentation to exist, but these are not Professor Hoppe's exact words. He speaks of "one's right to make exclusive use of one's physical body." What does he mean, however, by the term "right"? Does he mean power, ability? Or does he mean a moral entitlement that a human being has that obligates others to respect this right? I assume he means the latter, but I do not see how he justifies this sense of the term "right." Even if it is granted that everyone must have exclusive use and control over his entire body in order for the activity of argumentation to exist, that is still not the same as claiming that everyone has a *right* to have exclusive use and control over his body. The latter claim is normative in character, while the former is not. In other words, there is an equivocation in Hoppe's argument between a conception of rights which is about nothing more than a power that someone has which implies no duties on the part of others—this is a Hobbesian view of rights—and a conception of rights which expresses an entitlement that imposes a moral duty on others to respect a person's *pace Strausseans*, a Lockean view of rights.

Perhaps Hoppe does not really mean to argue for Lockean rights but for something like Hobbesian rights. Yet, this does not seem to work. Let it be granted that if I choose to argue with others, then they must have control over their bodies; but if I do not so choose or if I no longer choose to continue the argument, why must they have the power to control their bodies? Since there is no moral duty involved and since I no longer wish to argue with them, there is nothing more that can be said on their behalf.

It seems by equivocating on the term "rights," Hoppe is guilty of smuggling a normative premise into what he claims is a "value-free" justification of the Lockean private property ethic.

### So What?

Assuming that Hoppe does succeed in showing that there is a practical inconsistency involved for anyone who engages in argumentation and denies Lockean rights, what difference does any of this make to how one acts? Why ought the contradictory character of one's arguing against Lockean rights provide any reason for one to stop arguing against Lockean rights? Why ought one no longer claim that Lockean rights are unjustified? Certainly, one is caught in a performative self-contradiction, and so one cannot justifiably deny Lockean rights, but unless there is some normative premise which states

"One ought not conduct oneself in a performatively self-contradictory manner," I do not see how Hoppe's *a priori*, "value-free" argument has provided any reason why one ought to stop arguing that Lockean rights are unjustified. And if this is true at the level of argumentative acts, then I do not see how he has provided any reason why other human actions should be conducted in a manner that respects Lockean rights.

Another way of making this point is to consider the propositional exchanges between Thrasymachus and Socrates in the first book of Plato's *Republic*. If there are no normative truths, if might makes right as Thrasymachus claims, then there is no reason for Thrasymachus to participate in the dialectic and certainly no reason for him to stop advancing his claims because he seems to be defeated by Socrates. Thrasymachus's ultimate point is simply that there is no reason why he should play the argumentation "game." Coercion, violence, and intimidation are among the available options. This is one of the reasons Plato is concerned with ethics. Hoppe needs to show similar concern. Hoppe cannot ignore ethics and hope to provide anyone with a reason why they ought to act differently.

Argumentation, like any other form of human conduct, has normative preconditions. Also, we must already have a moral "must" if we are to have any reason to care about a logical "must." This is, however, a matter of ontology and not a *priori* conditions, but this is not the place to consider these issues.

Finally, I want to make it clear that I have found Professor Hoppe's argument most interesting and hope to see a more detailed presentation of it in the future.

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## Ethics Without Philosophy

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by Tibor M. Machan

Prof. Hoppe takes the necessity of being consistent for granted. But in an age of Feyerabendian nihilists, ontological relativists, existentialist absurdists, and the like, some effort is necessary to ground this demand for consistency. Ultimately the demand has to be granted, lest we dispense with meaningfulness. I do not, however, think it can be taken as a given.

This point is important because Hoppe relies on the alleged self-referential inconsistency of the value-free stance. His own position depends on the idea that (a) one must be consistent, (b) the proposition as to the importance of the value-free stance for certain purposes might be particularized sufficiently not to imply any further truth about anything. Both of these must be demonstrated. Hoppe demonstrates neither.

Neither does he make any clear connection between justice and the making of validity-claiming propositions. By "asserting any proposition" does one in fact demonstrate "one's preference for the willingness to rely on argumentative means in convincing oneself or others of something"? This could only

be true if what one did were always a function of a preference. Yet I take medicine not because I prefer it but because, under the circumstances of having an ailment, it is something I ought to do. I definitely don't prefer doing it, except in the sense that I prefer it to having a disease. To claim that I must prefer it since I do it (the sense that is relevant to Hoppe's argument) is to rob the concept "preference" of its distinctive meaning as a type of attitude or disposition of mind.

There is yet another serious problem. The fact that people are caught in the web of proposition-assertion does not show that it has ethical value; it shows only that people treat it, perhaps quite mistakenly, as having value. They could be wrong, as some environmentalists argue, and Hoppe needs to show that they are right. This is why the neo-Aristotelian Objectivist approach to ethics *defends* the value of human life and the morality of living it. It's not enough to take that as implied by the possibly lamentable fact of people's taking actions.

Now let me focus on something Hoppe apparently shares with Ludwig von Mises, a *priorism*. He says that one can rest understanding human action on "reflection (since one does not see actions, but rather interprets certain physical phenomena as actions!)" and that "it [von Mises's theory] cannot possibly be invalidated by any experience whatsoever, because any attempt to do so would already presuppose an action (after all, experiencing something is itself an intentional action)."

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*One can certainly "experience something"—a heart attack, an earthquake, or even the sight of an onrushing truck—without one's intending to experience it.*

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This last is quite implausible. One can certainly "experience something"—a heart attack, an earthquake, or even the sight of an onrushing truck—without one's *intending* to experience it.

All this talk of interpretation is disturbingly loose. Why should one interpret something as action rather than as behavior? Perhaps that interpretation results from an argument that because human action is very complicated and issues in a great variety of kinds and types or results, it *must* take a different form from that of the *behavior* of, say, monkeys. But what role does evidence play in the decision to settle on that interpretation rather than on one that invokes, say, God as puppeteer and persons as His puppets? This would be a deficient interpretation, but the problem here is the need to use evidence for our interpretations. Human *action* is not an *a priori* concept requiring no evidence for its support.

The English philosopher and scholar of



Austrian philosophy, Professor Barry Smith, has clearly shown the mistake that Mises' *a priori* makes at the epistemological level. Smith directs us to Menger rather than to Mises for the philosophical foundations of the argument for laissez-faire. Hoppe should follow in Menger's footsteps rather than Mises'.

Why do so many people prefer an *a priori* political ethics to the more sensible view that political morality must rest on personal morality? In part, the reason seems to be that *a priori* helps libertarians evade the bothersome task of not just having to select a sound political viewpoint but actually having to adhere to some sound personal ethics. The phenomenon is yet another aspect of the bane of

classical liberalism—the escape from morality and the attempt to forge politics without it. It used to be thought that this escape was necessary so as to rebuff political authoritarianism—if no one had ethical knowledge, it was believed, one could reject regimentation of conduct. This is a mistaken view—one that leaves one without ethical arguments with which to attack authoritarianism.

Human beings require both an ethical standard and a standard of proper political organization. The latter cannot be obtained without paying attention to the former. It is not necessary for the defense of liberty to escape ethics—without liberty, ethics makes no sense; without ethics, liberty has no defense.

as implying a performative contradiction (in the sense explained by David Gordon), and hence, as ultimately falsified.

The law of contradiction is one such presupposition. One cannot deny this law without presupposing its validity in the act of denying it. But there is another such presupposition. Propositions are not free-floating entities. They require a proposition maker who in order to produce any validity-claiming proposition whatsoever must have exclusive control (property) over some scarce means defined in objective terms and appropriated (brought under control) at definite points in time through homesteading action. Thus, any proposition that would dispute the validity of the homesteading principle of property acquisition, or that would assert the validity of a different, incompatible principle, would be falsified by the act of proposition making in the same way as the proposition "the law of contradiction is false" would be contradicted by the very fact of asserting it. As the praxeological presupposition of proposition making, the validity of the homesteading principle cannot be argumentatively disputed without running into a performative contradiction. Any other principle of property acquisition can then be understood—reflectively—by every proposition maker as ultimately incapable of propositional justification. (Note, in particular, that this includes all proposals which claim it is justified to restrict the range of objects which may be homesteaded. They fail because once the exclusive control over *some* homesteaded means is admitted as justified, it becomes impossible to justify any restriction in the homesteading process—except for a self-imposed one—without thereby running into a contradiction. For if the proponent of such a restriction were consistent, he could have justified control only over some physical means which he would not be allowed to employ for any additional homesteading. Obviously, he could not interfere with another's extended homesteading, simply because of his own lack of physical means to justifiably do anything about it. But if he did interfere, he would thereby inconsistently extend his ownership claims beyond his own justly homesteaded means. Moreover, in order to justify this extension he would have to invoke a principle of property acquisition incompatible with the homesteading principle whose validity he would already have admitted.)

My entire argument, then, claims to be an impossibility proof. But not, as the mentioned critics seem to think, a proof that means to show the impossibility of certain empirical events so that it could be refuted by empirical evidence. Instead, it is a proof that it is impossible to propositionally justify non-libertarian property principles without falling into contradictions. For whatever such a thing is worth (and I'll come to this shortly), it should be clear that empirical evidence has absolutely no bearing on it. So what if

... and the Author Responds ...

## Utilitarians and Randians vs Reason

by Hans-Hermann Hoppe

It is neither possible nor worthwhile to address all of the points brought up in the foregone discussion. I will concentrate on those critics who come out most vehemently against my argument—all of them utilitarians of sorts. I will then comment briefly on the Randian type of reaction.

Amazingly, Friedman, Yeager, Steele, Waters, Virkkala, and Jones believe I must have overlooked the fact that all existing societies are less than fully libertarian (that there is slavery, the gulag, or that husbands own wives, etc.), and that this somehow invalidates my argument. Yet obviously, I would hardly have written this article if it had been my opinion that libertarianism were already prevalent. Thus, it should have been clear that it was precisely this non-libertarian character of reality which motivated me to show something quite different: why such a state of affairs cannot be *justified*. Citing facts like slavery as a counterexample is roughly on a par with refuting the proof that  $1+1=2$  by pointing out that someone has just come up with 3 as an answer—and about as ridiculous.

To restate my claim: Whether or not something is true, false, or undecidable; whether or not it has been justified; what is required in order to justify it; whether I, my opponents, or none of us is right—all of this must be decided in the course of argumentation. This proposition is true *a priori*, because it cannot be denied without affirming it in the act of denying it. One cannot argue that one cannot argue, and one cannot

dispute knowing what it means to raise a validity claim without implicitly claiming at least the negation of this proposition to be true.

This has been called "the *a priori* of argumentation"—and it was because of the axiomatic status of this proposition, analogous to the "action axiom" of praxeology, that I invoked Mises in my article. (Virkkala's outrage over this disqualifies itself, because I explicitly stated that Mises thought what I was trying to do was impossible. Moreover, it is his understanding of Mises that is amusing. For while it is true that praxeology talks about marginalism, it is obviously not the case that praxeology as a body of propositions is in any way affected by marginal choices. Praxeology contains universally true propositions, and whether or not we choose to accept them does not affect this at all. It is beyond me why that should be any different when it comes to ethical propositions. Virkkala might just as well attack Mises for a "retreat from marginalism" because of his claim that praxeology is *true*.)

With the *a priori* of argumentation established as an axiomatic starting point, it follows that anything that must be presupposed in the act of proposition-making cannot be propositionally disputed again. It would be meaningless to ask for a justification of presuppositions which make the production of meaningful propositions possible in the first place. Instead, they must be regarded as ultimately justified by every proposition-maker. And any specific propositional content that disputed their validity could be understood

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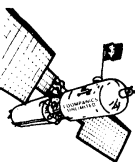
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there is slavery, the Gulag, taxation? The proof concerns the issue that claiming that such institutions can be justified involves a performative contradiction. It is purely intellectual in nature, like logical, mathematical, or praxeological proofs. Its validity—as theirs—can be established independent of any contingent experiences. Nor is its validity in any way affected, as several critics—most notoriously Waters—seem to think, by whether or not people like, favor, understand or come to a consensus regarding it, or whether or not they are actually engaged in argumentation. As considerations such as these are irrelevant in order to judge the validity of a mathematical proof, for instance, so are they beside the point here. And in the same way as the validity of a mathematical proof is not restricted to the moment of proving it, so, then, is the validity of the libertarian property theory not limited to instances of argumentation. If correct, the argument demonstrates its universal justification, arguing or not.

(Of all utilitarian critics only Steele takes up the challenge that I had particularly posed for them: that the assignment of property rights cannot be dependent on any later outcome, because in this case no one could ever know before the outcome what he was or was not justified in doing; and that in advocating a consequentialist position, utilitarianism is strictly speaking no ethic at all when it fails to answer the all-decisive question "what am I justified in doing now?" Steele solves this problem in the same way as he proceeds throughout his comment: by misunderstanding what it is. He misconceives my argument as subject to empirical testing; he misrepresents it as claiming to show that "I favor a libertarian ethic" follows from "I am saying something," while in fact it claims that entirely independent of whatever people happen to favor or utter, "the libertarian ethic" can be given an ultimate propositional justification" follows from "I claim such and such to be valid, i.e. capable of propositional justification." His response to the consequentialist problem is yet another stroke of genius: No, says Steele, consequentialism must not involve a praxeologically absurd "waiting for the outcome ethic." His example: Certain rules are advocated first, then implemented, and later adjusted depending on outcomes. While this is indeed an example of consequentialism, I fail to see how it could provide an answer to "what are we justified in doing now?" and so escape the absurdities of a waiting-for-the-outcome-ethic. The starting point is unjustified [Which rules? Not only the outcome depends on this!]; and the consequentialist procedure is unjustified, too. [Why not adopt rules and stick to them regardless of outcome?] Steele's answer to the question "What am I justified in doing?" is: that depends on whatever rules you start out with, then on the outcome of whatever this leads to, and then on whether or not you care about such an outcome. Whatever this is, it is

no ethic.)

The reaction from the other—Randian—side, represented by Rasmussen is different. He has fewer difficulties recognizing the nature of my argument, but then asks me in turn "So what?" Why should an *a priori* proof of the libertarian property theory make any difference? Why not engage in aggression anyway? Why indeed?! But then, why should the proof that 1+1=2 make any difference? One certainly can act on the belief

*My entire argument is an impossibility proof. It is purely intellectual in nature, like logical, mathematical, or praxeological proofs.*

that it was 1+1=3. The obvious answer is "because a propositional justification exists for doing one thing, but not for doing another." But "why should we be reasonable?" is the next come-back. Again, the answer is obvious: For one thing, because it would be impossible to argue against it; and further, because the proponent raising this question would already affirm the use of reason in his act of questioning it. This still might not suffice and everyone knows that it does not: for even if the libertarian ethic and argumentative reasoning must be regarded as ultimately justified, this still does not preclude that people will act on the bases of unjustified beliefs either because they don't know, they don't care, or they prefer not to know. I fail to see why this should be surprising or make the proof somehow defective. More than this cannot be done by propositional argument.

Rasmussen seems to think that if I could get an "ought derived from somewhere (something that Yeager claims I am trying to do, though I explicitly denied this), then things would be improved. But this is simply an illusory hope. For even if Rasmussen had proven the proposition that one *ought* to be reasonable and *ought* to act according to the libertarian property ethic this would still be just another propositional argument. It could no more assure that people will do what they ought to do than my proof can guarantee that they will do what is justified. So where is the difference; and what is all the fuss about? There is and remains a difference between establishing a truth claim and instilling a desire to act upon the truth—with "ought" or without it. It is great, for sure, if a proof can instill this desire. But even if it does not, this can hardly be held against it. And it also does not subtract anything from its merit if in some or even many cases a few raw utilitarian assertions prove to be more successful in persuading of libertarianism than the proof itself. A proof is still a proof; and socio-psychology remains socio-psychology. □

## Rebuttal

# Private Property Rights: Hope for the Environment

by Jane S. Shaw

In the September *Liberty*, John Hospers challenged libertarians to reconsider their ideas about private property and the environment. In this response, Jane Shaw asks libertarians to reconsider Hospers' challenge.

John Hospers is probably correct in his claim that libertarians do not often concern themselves with environmental problems. One apparent result is that when a prominent libertarian such as Hospers does take up the subject, his work is riddled with misunderstanding and misinformation.

Libertarians, of all people, have the philosophy needed to come to grips with environmental issues: the understanding that the most effective way to protect the environment is to strengthen private property rights. Yet Hospers finds little room in his 9000 word essay to discuss property rights. And when he does consider property rights, he dwells on their presumed limitations rather than the crucial role rights play in protecting the environment.

More than two thousand years ago, Aristotle wrote that "what is common to many is taken least care of, for all men have greater regard for what is their own than for what they possess in common with others." Researchers Richard Stroup, Terry Anderson, and John Baden have spent the past fifteen years exploring the implications of this statement in the environmental area.

Private ownership encourages good stewardship. When property is well taken care of, it increases in value, and its private owner receives the benefit of that increase. Concomitantly, an owner who allows his or her property to decline in value suffers the loss of wealth. Thus, private ownership gives owners an incentive to manage well. It is for this reason that, in the long run, private ownership is an environment in which nature flourishes.

In contrast, government or "public" ownership leads to poor care because,

without ownership, government officials lack the incentive to do what they can to enhance the value of the land over time. It would be illegal for them personally to capture the value they help create, and they pay no penalty for land that deteriorates.

Private property encourages good stewardship even when an owner has a short-term view of the future and isn't concerned about his or her grandchildren. The reason is that when well cared for, property increases its value *in the present*, not just in the future. Neglect, by the same logic, lowers the value of property *today*. As soon as the first signs of poor stewardship are seen (such as the first indications of land erosion), an appraiser or potential buyer can project the results into the future, and the value of the property declines immediately. This process—capitalizing future benefits and costs into the current value of a capital good—is the fundamental determinant of the value of property.

A simple but revealing illustration of the power of private property rights in a market system is offered by a cartoon that appeared in *The Wall Street Journal*. A couple is walking out of a home they have just been visiting. The wife says, "Their house looks so nice. They must be getting ready to sell it."

Even though the family doesn't care who will live in it ten years or even six months later, they fixed it up to be attractive to a buyer. The point is that owners can capture today the value of improvements that will last many years. And the principle operates in the other direction, too: owners suffer today if they allow their property to deteriorate, because the price of their property goes down.

### Problems of Insecure or Nonexistent Property Rights

In nearly every case, environmental problems stem from insecure, unenforceable, or nonexistent property rights. This happens in two important ways.

First, because air and water are inherently difficult to own, individuals can damage them with impunity. Compare the atmosphere with, say, a car. If you damage a car that I own, I can insist that you compensate me (and the courts will uphold that claim). But no one owns air. If you foul the air I breathe, I can do little about it. In theory, a person can sue a smoke-emitting company for damaging health or property, but the elusive nature of air makes it difficult to prove the exact source of the pollution that caused the damage. And the extent of possible long-term

health damages also is difficult to know, let alone prove in a court of law. Thus the atmosphere is treated as a common pool that everyone has access to and no one has much of an incentive to keep clean.

When the absence of private ownership leads to pollution, the government often intervenes. But its ability to deal with the problem in an effective and equitable manner is hampered by the same factors that make it difficult to deal with the problem by civil tort law.

Although streams and rivers can be monitored more easily than air, they too suffer from their "un-owned" status. No one has the right to sue for damages or obtain injunctions if the water is polluted; as a result, anyone—private industry, farmers, municipalities, homeowners—can use water as a waste stream until the government steps in. Where private ownership has been established, the situation is quite different. In Great Britain, the right to fish is a private right. To keep the value of their rights high, owners of fishing rights tend to keep streams clean and well-tended. Associations of rights holders have also gone to court successfully to protect streams, and thus their fishing rights, from pollution damage.

Most migratory birds and other wildlife are not owned by anyone. As a result, in many parts of the world animals are hunted to the point of extinction. If individuals, groups, or families owned wild animals, they would have incentives to husband them rather than destroy them. Unlike the buffalo that once roamed the Great Plains, hogs or cattle are not threatened with extinction—because they are owned. (Indeed, during the 17th century, the Montagnais Indians of the Labrador Peninsula divided ownership of beaver among families; as a result, the beaver was preserved rather than trapped to extinction.\*)

The second kind of environmental problem originates in government ownership. During its 86-year history, the Bureau of Reclamation has destroyed millions of acres of wetlands and canyons by building giant dams that sup-

ply power and water at subsidized rates. Environmental organizations have tried to stop such destruction, but with little success.

As environmental groups have begun to learn, the Forest Service cuts down large numbers of trees in environmentally fragile areas where it's difficult for trees to grow, only to sell the trees at a loss—something no private owner would do for long. Yet environmental activists, for all their political clout, energetic lobbying and legal challenges, have not been able to stop this practice.

*In contrast to private ownership, government management is more likely to reflect the short-term goals of powerful special interests than it is to practice conservation.*

Government property tends to be poorly managed, especially over the long run. Bureaucrats rarely benefit from increasing the value of the property they manage and are rarely penalized for harm they do. Government management is more likely to reflect the short-term goals of powerful special interests than it is to practice conservation. Unlike private owners, whose current wealth depends on the value of their property rights, government managers have no way to capture the future benefits that would flow from current sacrifices.

### Addressing Specific Problems

Let us now look at some of the environmental problems that Hospers discusses.

Hospers seems in a panic. The environmental problems he lists sound like the worst nightmares of wild-eyed Club of Rome zealots. Of course, there are cases of serious environmental damage, but recent scientific evidence indicates that DDT has not "killed off many species of wildlife"; nor is the safe disposal of toxic waste a major health problem (it is a public relations problem for those who are trying to site waste facilities); nor has the increased use of fertilizers made availability of phosphates on the world market "pre-

carious" (producers of phosphates regularly lament its oversupply); and I question whether the "air in all our major cities is polluted to such an extent that it is a hazard to health." With these and other statements such as "much of the animal kingdom has been destroyed," and "[p]erhaps rain will no longer fall in the American Midwest, just as it no longer falls in parts of Africa," Hospers strikes a blow for irrationality and fear.

Nevertheless, some environmental problems are quite real and it is important to figure out what can be done about them. Take the problem of the excessive cutting of the Amazon rain forest.

Hospers notes correctly that policies of the Brazilian government to reward fast settlement and stimulate cattle production have spurred the deforestation. But he dismisses the role of government: "the effect would have been the same if individuals without government subsidy had homesteaded the jungle."

Environmental analysts disagree. Without the subsidies, they contend, far less deforestation would have occurred. If the cattle owners had to pay the full cost of converting forests to pasture, they would find it unattractive to destroy as many trees. (And *some* conversion in an area extending 3.4 million square miles, as the Amazon forest does, would not be dismaying.)

If faced with the real costs of conversion, some individuals would undoubtedly prefer to preserve the forests. With unsubsidized development offering low returns, the preservation option would not be costly. In some cases, preservationists would be motivated by the hope that some plants they saved would be wonder drugs of the future. Others would simply want to preserve beautiful acreage.

Environmental organizations protect endangered habitat around the world; some, such as the Nature Conservancy and the World Wildlife fund, are trying to preserve forests in Latin America right now. Of course, since much of the threatened land is still in government hands, they cannot buy it. They must try to persuade cash-short governments and tax-supported institutions such as the World Bank to favor sound conservation rather than short-run, forced-development schemes. Their latest ef-

\* In discussing the role of private property rights in protecting the environment, I have introduced a handful of illustrations, without discussing them rigorously. These and many others are discussed in published articles and working papers by me and others at the Political Economy Research Center (502 South 19th Ave., Suite 211, Bozeman, MT 59715). I would be happy to engage in further dialogue on these issues.

forts have taken the form of "debt-for-nature" swaps—reducing Latin American debt in return for land preservation.

Nor would I deny that there are serious environmental problems in the second example Hospers cites, the African veldt. However, Hospers fails to make a coherent case as to just what the problems are! There is no doubt that expansion of farming has reduced the land available for wild animals to roam. But this doesn't necessarily pose an environmental problem if the remaining areas are well managed.

Hospers assumes that reduction of habitat acreage is a disaster and casts about for a culprit. He concludes that the cause is the "multiplication of human beings," thanks partly to the advances of Western medicine. Yet much of the African veldt appears to be underpopulated.

Consider the cases of Zimbabwe and Zambia. These two countries contain about 442,000 square miles of land; taken together they are slightly larger than Arkansas, Louisiana, Oklahoma, and Texas combined. The population of the two countries, Hospers tells us, is about 6 million. (Actually, my figures, from 1979, indicate that the population is

about 13 million). But the population of Arkansas, Louisiana, Oklahoma, and Texas—not a particularly densely populated region—is about 26.9 million! Are Zimbabwe and Zambia suffering from severe overpopulation, the "multiplication of human beings"?

Hospers goes on to lament the creation of monocultures—large acreages devoted to a single crop, sprayed with pesticides and fertilizers. He notes correctly that this elimination of ecological balance leads to vulnerability.

But Hospers fails to see that the problems of monoculture are readily corrected by private individuals acting in their own self-interest. In 1964, for example, a corn blight wiped out large tracts of U. S. farmland that had been planted with a single genetic strain of corn. Since then, agricultural scientists have been careful to develop and preserve mixed genetic stocks to retain immunities. It took no ecological Armageddon to teach private owners that genetic diversity in crops is a good idea—they learned it as individuals trying to maximize the profitability of their own property.

When governments are in charge of technical matters, on the other hand, they usually mandate the "best availa-

ble technology," as judged by the most influential people. Unfortunately, the government's stamp of approval may stifle maverick ideas that would be more productive in the long run. Currently, for example, a method of cattle-grazing developed by Allan Savory has attracted the interest of many ranchers. Savory's approach challenges traditional grazing practices, and no one knows whether it will prove superior in the long run. Clearly, however, private ranchers will determine its value long before government experts even pay serious attention to it.

Toward the end of his essay, Hospers does make an effort to place environmental problems in the context of private property. But he despairs of finding a solution. He even floats the idea of a world government as a way to cope with the problems—stepping back from the precipice, happily, on the ground that it would be "infected by the disease of all governments. . . ."

Even so, his conclusion that "Proponents of liberty . . . do not do well in ecological issues" is simply wrong. To the contrary, *only* proponents of liberty offer solutions that will preserve the environment over the long run. □

## *The Dogs of Capitalism*, by Mitchell Jones, is a reasoned investigation of the history of dogfighting.

According to the dogfighters, heroism in dogs is a trait that is inherited. If they are correct and if you want a protection dog, then you should buy a puppy whose parents were heroic. But how can you find such a puppy? The dogfighter's answer: buy from a breeder who tests the courage of his dogs before he breeds them. The idea is that a dog who will repeatedly attack a bear, or a lion, or a badger, or a man with a club, or a fighting bull, or a powerful canine opponent, will never fear to come to the defense of his master. Thus if you purchase a puppy from parents who have been tested in this way, the odds are high that he will grow up to be precisely the kind of animal that you had hoped for.

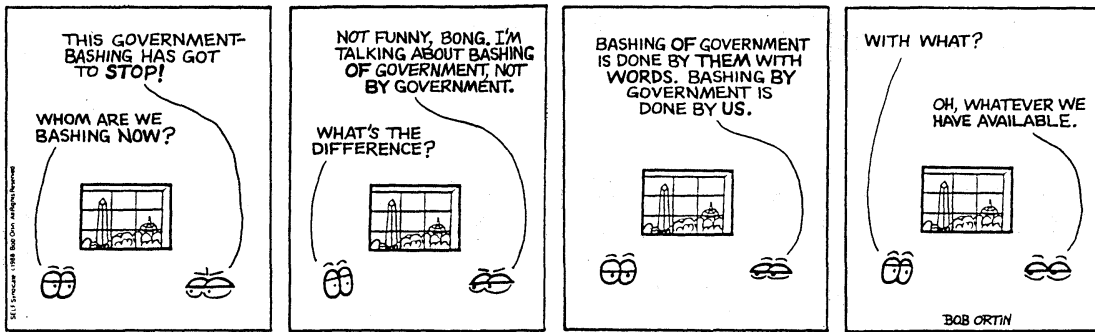
*The Dogs of Capitalism* traces out the history of man's attempts to apply this idea. It examines in detail the various tests which were employed to find heroic dogs, including lion and elephant baiting, bear baiting, bull baiting, badger drawing, rattling, and dogfighting. It explores the resulting political controversies and their psychological, moral, economic and philosophical implications. Because the author accepted no limits to his investigation other than those imposed by logical relevance, the theme of this book became a lever for prying open all sorts of surprising secrets. The result is a treasure trove of insights in a multitude of fields—a spectacular, shocking *tour de force*, utterly unlike anything you have ever read before. For the advocate of liberty who wants to be able to defend his position, *The Dogs of Capitalism* is must reading.

\* \* \*

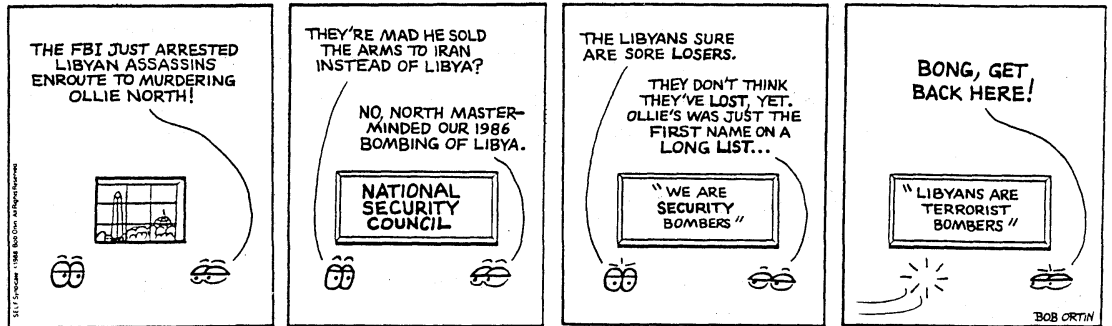
*The Dogs of Capitalism*, hardcover, 336 pages, 44 illustrations. Price in the U.S. is \$24.95 postpaid. Limit one copy per order. (We will explain why.) Texas residents add \$1.50 sales tax. Send order to:

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# GOVERNMENT-BASHING DEFINED



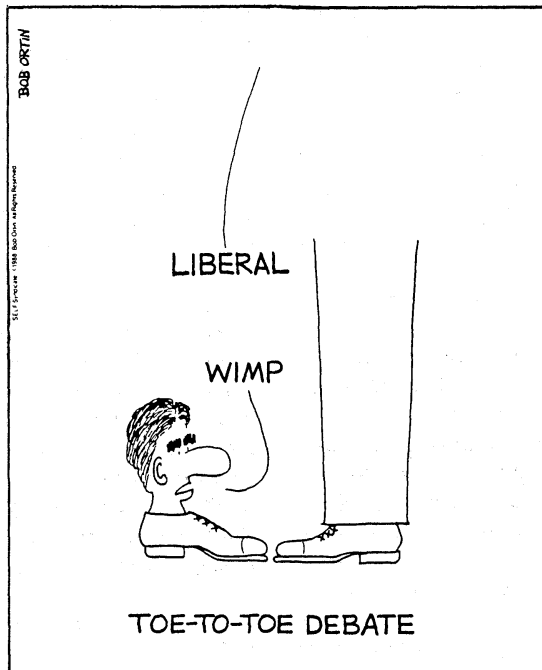
# FBI STOPS LIBYAN ATTEMPT ON NORTH



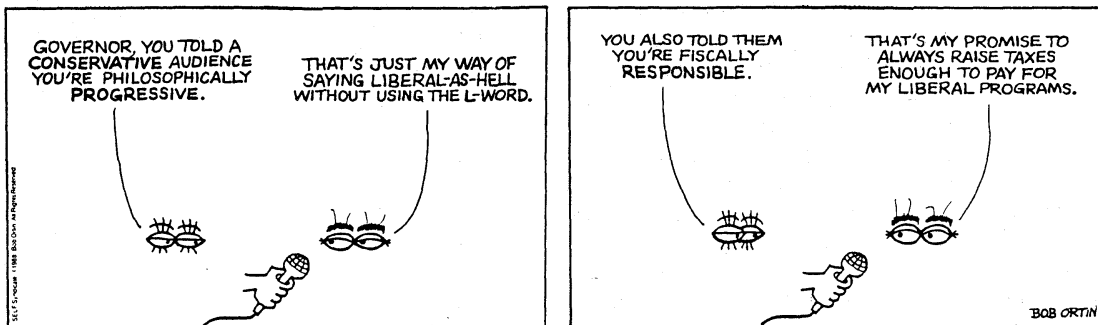
# BURONIC EPISODES

A speculation on the source of headlines by Bob Ortin

# DUKAKIS VS BUSH



# DUKAKIS DEFINES HIS TERMS





## Historical Analysis

# Perestroika and Liberty

by James S. Robbins

"From each according to his ability, to each according to his needs!"  
—Karl Marx, *The Critique of the Gotha Program*, 1875

"Whatever a person earns he should receive. At the same time, we should not allow a person to receive what he has not earned." —Mikhail Gorbachev, *Perestroika*, 1987

At first glance, Gorbachev appears to have contradicted one of the most fundamental tenets of Marxism.

In strict ideological terms, however, there is no contradiction. After all, as Gorbachev points out, the Marxist formulation applies only to the historical stage of Communism, not that of Socialism, and until the Soviet Union (or the world) achieves Communism, Marx's couplet may be ignored.

Even so, the policy changes recently initiated by Gorbachev appear to indicate a divergence from the dictates of traditional Marxism. The whole matter raises an important issue: Are there limits beyond which Socialist economics cannot go without turning into something else, something approaching Capitalism? We may yet see. Gorbachev's Soviet Union is now testing these limits under the banner of *perestroika*, or "restructuring."

Is Gorbachev attempting to make fundamental changes? Does *perestroika* signify an unprecedented change of direction in Soviet economic policy? Or is it simply a continuation of Soviet economic policy under a new label? To answer these questions, to come to grips with *perestroika*, it is necessary to have some understanding of how the Soviet economy functions and how it came to be the way it is.

### The Dialectics of Soviet Politics

The first truly Bolshevik economic program was "War Communism," instituted in March 1918 in an attempt to institute "pure" Marxist economics and simultaneously to wage a civil war against the White liberal-monarchists and Green anarcho-peasants. The exper-

iment, utilizing both the realism of the Bolshevik leaders trying to consolidate their power and the idealism of many in the Communist rank-and-file, failed to achieve its economic goals. But it did allow the Party to secure control and mobilize industry for war. The Red Army succeeded in its struggle against "reaction," and in the process snuffed out what small amount of economic freedom the Russian people had achieved since the overthrow of the Tsar. The depths of War Communism were reached in 1920, when private trade was abolished, all precious metals expropriated, barter introduced, and remaining private businesses nationalized. Black markets thrived, and food prices soared. Rationing was instituted in most urban areas; it was a cut in the food ration which precipitated massive strikes in Petrograd and the Kronstadt rising of 1921.

Yet already Lenin had recognized that if the regime was to survive and consolidate its power, War Communism would have to be abandoned. At the Tenth Party Congress in March, 1921, Lenin introduced the New Economic Policy (NEP): currency was reintroduced (25% backed by precious metals), private ownership and trade were made legal, agricultural appropriations were eased or abolished, and foreign trade was encouraged. The economy rebounded and the last vestiges of revolt

died out. NEP was not a full retreat to private capitalism: its effect were concentrated mainly in the agricultural and small business sectors, and most of the investment capital, large-scale industry and mining remained under state control.

Although under attack in some quarters, NEP persisted until after Lenin's death in 1924. The vicissitudes of the market precipitated the "scissors crisis," in which agricultural prices dropped and industrial prices rose, causing a destabilizing situation in the countryside. At the same time a succession struggle was developing within the Bolshevik leadership. Economic policy became an arena of conflict, with leaders of the various factions modifying their views based not on philosophy but political expediency. Bukharin, a few years earlier a War Communist *par excellence*, believed by 1925 that the Party should indulge the aspirations of the better-off peasantry (or "kulaks"), and subsequently introduced the slogan *obogachaites*, or "Get Rich." Stalin, who at the time was allied with Bukharin, objected to the slogan, but courted the kulaks with tax concessions. Their "rightist" viewpoint, which emphasized building socialism through the use of market forces, came to be known as the "genetic" position. The "leftist" opposition—Trotsky, Zenoviev and Kamenev (the latter two of whom had been right-

ists in 1923)—believed that a socialist economy should pursue industrial growth, and that the state must control the means of production. Their leading theoretician was the economist E.I. Preobrazhenskii, who argued that the capital necessary for industrialization could come only from the private sector (i.e., the peasantry). Since the peasants could not be counted on to invest in industry voluntarily, the capital would have to be expropriated. This position was known as "teleological," in that it was man, and not the market, who would direct the economy.

The factional split did not last long. By 1927, Stalin had eliminated most of his opponents (and allies), and in the process had adopted the teleological position. The First Five Year Plan was implemented in 1928, as was the collectivization of agriculture. The centralized, industrial Soviet economy was born.

### Economic Calculation Under Stalin

Under the Stalinist model the state controls every aspect of (legal) economic activity. Resource allocation, production and distribution are determined through a process known as "balancing" the national economy, using a device known as an input-output table. The state determines production priorities, establishes how much of every commodity each enterprise will manufacture, calculates the amount of raw materials required, sets corresponding quotas for resource production, and tries to make the numbers balance. Of course, establishing quotas for every

commodity and at each level of the production process is a mammoth task in itself (one the Soviets have admitted is beyond their ken), and failure to meet quota at a lower level can have dramatic consequences further up the line.

In addition, the system of quotas and bonuses for meeting or exceeding them has a serious fault. Managers

*The Soviets are well aware that most uprisings in history were precipitated by food shortages. For this reason, cities, the centers of power, are never without food.*

know that if they consistently come in over quota, their quotas will likely be raised. This is called the ratchet effect, and to avoid it managers will under-report over-quota production, saving the difference for a rainy day.

Another problem is the fact that the process is non-recursive. For example, if planners want to increase steel production they will need more iron ore, which requires more mining equipment. To produce the equipment more steel will be needed. And so forth.

Not surprisingly, the system has never performed as the planners would have liked; shortages of all kinds are endemic. These shortages have their greatest impact on the citizenry; traditionally resource priorities have been given to the military, then to other state agencies, with consumer needs far down the list.

Wages and prices are also determined by the state, a practice that creates still more problems. The price of any given commodity bears little or no relationship to either its supply or demand, and hence are known as "irrational prices." (The Ruble is an inconvertible currency because of this irrationality in pricing.)

On the positive side, from the Soviet perspective, prices are an effective mechanism for social control; when the State wants to reduce consumption of an item (such as alcohol) it makes it more expensive. Yet the state must make certain that all prices (especially food prices) do not

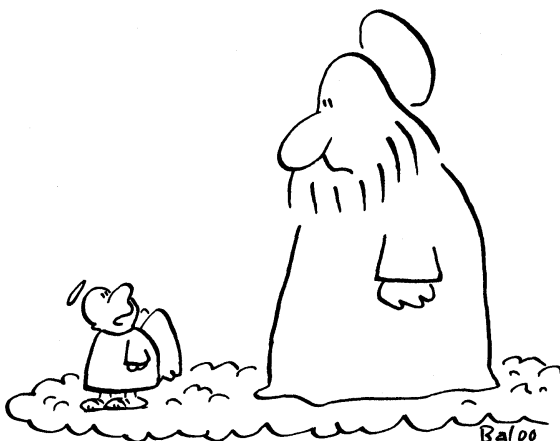
rise too high, lest discontent result. At the same time, wages must rise consistently to improve the standard of living. Unfortunately, because there are shortages of consumer goods and services, workers have nothing on which to spend their money, and when savings accounts grow too large, pay bonuses for meeting quota and other incentives lose their motivational value. To combat this "repressed inflation" Soviet pricing agencies have tried to keep aggregate prices just below aggregate wages, but always rising along with them.

### Postwar "Reforms"

Since the Stalin era, several reforms have come and gone, but they have not made any significant, lasting contributions. In an attempt to redress imbalances, large-scale wage and price reforms have been undertaken every twenty years or so, but the process became so complex that it takes five years just to plan the reforms.

Khrushchev endeavored to improve the agricultural system but met with little success, despite high expectations in both the East and West. He tried to decentralize production and distribution, but the result was creating several plodding bureaucracies where before there had been one. The Brezhnev period saw some reforms reach the design stage, but few were carried out. Through the 1970s the flaws in central economic planning dragged Soviet production levels downward. Standards of living and life expectancies both fell.

The result of teleological economics has been a slow ride into the dustbin. Developing nations which have copied the Soviet developmental model, with emphasis on gigantic industrial projects (such as the Aswan Dam, or the Polish tractor experiment), have found their economies in a shambles, while other countries with far fewer natural resources (e.g. South Korea, Taiwan, Singapore) have flourished by following capitalistic policies. Soviet world prestige, which in the 1950s was based mainly on the promise of the Socialist economy, is today based solely on the power of Soviet military force. And within the Soviet Union the failure of the Stalin model has finally been admitted; the cosmetic reforms of the past have given way to radical restructuring.



"But what if the manna destroys their incentive?"

## Enter *Perestroika*, Exit Bureaucrats

*Perestroika* has several goals. One is to vitalize the Soviet economy, to make it strong enough to fulfill Soviet defense needs while supplying a decent standard of living to the citizenry. Another equally important goal is to create an independent, self-sustaining technological base. Most Soviet technological development has come not through domestic ingenuity but through trade and so-called "reverse engineering" from advances in the West (i.e., theft). The third goal of *perestroika* is to increase foreign trade and investment—a general Soviet aspiration, but one pressed with renewed vigor under Gorbachev. Clearly, these goals are interrelated: successes in pursuing one contribute to advances toward others.

The Soviets are pursuing these goals through reform in four areas. The first and most important is the planning process itself. Gorbachev would decentralize planning, placing it in the hands of enterprise managers instead of state bureaucrats. In place of the quota system, enterprises now operate under the "full economic accounting" system—in other words, profit or perish. For the first time, enterprises may go bankrupt, and in this way inefficient management will be weeded out.

At the June Party Conference Gorbachev stated that day-to-day monitoring should be transferred from Moscow to local soviets, allowing a significant reduction in the number of bureaucrats. This is hard talk, yet others would see more drastic change. Leonid Abalkin, director of the Institute of Economics at the USSR Academy of Sciences, said that simply removing bureaucrats is not enough:

[T]here is something in the very system of management which we cannot get round without an explosion; a complete dismantling of the system.<sup>1</sup>

### The Market for Prices

Another key area is price reform. At the Party Conference, Gorbachev hinted that the state should relinquish control of the pricing mechanism to the market. Pricing is currently performed by the State Committee for Prices. The SCP tries

to respond to some consumer preferences, but even when it does take cognizance of demand it is slow and inefficient in reacting; by the time it manages to shift prices, consumer tastes may have already changed. In place of this, moderate reformers would allow some state enterprises to set their own prices, monitoring demand through periodic trade fairs. The suggestion shows a misunderstanding of market mechanisms, since consumer tastes can be easily gauged by taking stock, with or without fairs—yet the suggestion has merit in that it removes the state bureaucracy from the pricing process, making it more responsive, and thereby more efficient.

Economist Nikolai Shmelev, a supporter of *perestroika*, has argued that some price controls must be retained since the first reaction to the freeing of prices would be spiraling increases, especially in the agricultural sector. The Soviet state pays billions of rubles in subsidies to make certain that farmers

*The result of Soviet economics has been a slow ride into the dustbin. Developing nations which have copied the Soviet developmental model, with emphasis on gigantic industrial projects have found their economies in a shambles, while other countries with far fewer natural resources have flourished by following capitalistic policies.*

can produce foodstuffs at the official price without starving. An end to pricing would mean an end to subsidies, followed by price hikes, and discontent. The same would be true in the clothing and housing industries.

The third sector undergoing change is the labor market. As noted above, enterprises are now shifting to full economic accounting, and because they must make a profit, they must also be able to "free" (that is, to fire) workers. However, this violates Article 40 of the Constitution of the USSR, guaranteeing the right to work, which the Soviets have long touted as a humane and progressive measure. Some retreat is evident: today Soviet economists talk of achieving "rational full employment," a code phrase indicating that a certain level of unemployment will be tolerated. (In actual fact, because of the process of "overmanning"—assigning more workers to a task than necessary—there has been a great deal of hidden unemployment in the Soviet economy for

many years. *Perestroika* simply acknowledges reality.)

Labor reform means more than allowing management to fire incompetent workers; it means allowing management to pay higher wages to competent workers. This differs from the old system of bonuses for passing quota in that it will be an individual reward given to the worker, not to a team, and will come from company profits rather than the state treasury. Right away one recognizes that this might cause inequalities of wealth, something one does not normally associate with socialism. Yet, Gorbachev has written that "[o]n this point we want to be perfectly clear: socialism has nothing to do with equalizing."<sup>2</sup> This information may be news to the reader; it certainly raised my eyebrows.

To help place workers where they are needed, discussion is underway for easing internal travel restrictions. Currently, one needs a passport and

permit to travel between Union Republics, and permanent relocation is very difficult. This makes political control easier, but cramps the flow of labor. Evidently the Party believes that the increased risk of instability is more than offset by potential gains in productivity.

### Socialist Self-Interest

The fourth area of reform is more abstract. The Soviet economists call it "activating the human factor." Marx mockingly noted the charge of critics of Communism that "upon the abolition of private property all work will cease, and universal laziness will overtake us." Gorbachev, who has to deal with a real economy, has affirmed the importance of harnessing self-interest, stating that "combining personal interests with socialism has still remained the fundamental problem."<sup>3</sup> Furthermore, this reform appears to undermine the socialist nature of the Soviet system. One works for the mass under socialism, not for oneself; *perestroika* seems to encourage people to work for themselves, and to do so without fear of reprisal.

*Perestroika* has not been implemented consistently in the various sectors of the economy. The most important player in the Soviet strategy remains industry, and it is here that most of the in-

vestment is going. The logic is the same as before: industrialization is good both for its own sake and for the production of weapons for sale or use. Gorbachev, like Stalin, wants industry to expand, although this line of thinking has come under criticism. Economist Vasilii Selyunin has called for shifting investment to the consumer goods market, since growth for its own sake has no meaning. Clinging to the ideal of the heavy industry state is more an exercise in mathematics than economics, and it does not cater to the needs of the society. Selyunin's argument has been bolstered by the fact that, for all the attention paid to the industrial sector, production has lagged behind even the lethargic rates of the Brezhnev era.

### Meanwhile, Back on the Farm

In agriculture, substantial private activity existed long before *perestroika*, amounting to 25–30% of total agricultural production and much greater percentages of select "luxury" food items, such as fresh fruit. The Party has tolerated private plots as a means to keep the peasants and the workers happy, but has never let private plot activity interfere with food production on collectives.

Even so, it is becoming increasingly clear that collective agriculture simply will not meet Soviet needs. Food is already rationed in some areas.<sup>4</sup> Yet, as Shmelev points out, radical changes in the availability or price of foodstuffs can have negative consequences.<sup>5</sup>

Instead of freeing the agricultural market completely, the Soviets have moved to extend private plot cultivation to a wider group of people. The new Land Code of July 1, 1988, makes allowances for city dwellers who own rural land to farm it. These so-called *dachniki* had met considerable opposition in the past, to the point of having their rural homes burned. Now they may farm up to 600 square meters (or a plot about 80 feet square, about 1/7 of an acre) for their own consumption, though any additional produce must be sold to state collectives or cooperatives. Private animal husbandry, previously denounced as "anti-state activity," will be encouraged. In addition to these concrete changes, Gorbachev has called for greater independence for collectives and individual farms, as well as leasing land to individual producers and upgrading

agricultural technology.

If the reforms in agriculture seem drastic, they do not compare to the changes in the consumer goods and services sector. Here is the true radical den of *perestroika*, the area in which the greatest potential for growth can be found, as well as the widest discussion of economic freedom. In this sector the present leadership has taken a great leap backwards into NEP.

The first concrete steps were taken in February of 1987. A decree on cooperatives was issued, under which a cooperative could be formed to cater to any public market, provided the members of the cooperative (there must be at least two, since private ownership is not allowed) submit to close regulation by local soviets, and do not shirk their regular state duties. After the issuance of the decree, cooperatives quickly sprang up offering many sorely needed services—parcel delivery, carpentry, tailoring, even publishing. This reform has not

*By the strict letter of the law, it is much easier to start a small business in Moscow than it is in New York City.*

met universal acclaim. A 1987 study by *Sovetskaya Rossiya* found that public opposition to cooperatives was centered in the 45–75 age cohort (i.e. those who came of age under Stalin), and in that group negative ratings were near 80%. Yet younger and older citizens approved of the cooperative movement and resented the restrictions being placed on them by local Party bosses.

The intellectual elite (at least some of those in the Gorbachev wing) favor even greater liberalization. Sociologist Gennadii Butygin made the following startling observation:

Why, if somebody wants to sell and somebody else wants to buy, must we erect a fence between them? I consider that no state body has the right to sanction what is already sanctioned by the Constitution and the law.<sup>6</sup>

In response to the successes of the first experiments with cooperatives, a New Law on Cooperatives was drawn and went into effect July 1, 1988. The provisions of this incredible law are worth examining in some detail. It provides for two types of cooperatives, producer (goods) and consumer (services), which may set their own prices, deal

freely and compete with each other, and, most importantly, keep their profits. Article 8, part one, gives the ideological stamp of approval to this activity: "Cooperative ownership as a form of socialist ownership is inviolable and is protected by the state. It enjoys legal ownership on par with state ownership."<sup>7</sup>

The law continues in this vein. Article 10, part 2, states that if the cooperative incurs losses by complying with a state directive that violates the cooperative's rights, it shall be reimbursed by the agency which caused the violation. Article 11, part 1 states "[t]he creation of a cooperative is not contingent on any special permission from soviet, economic or other organs." Cooperatives must pay taxes, but no more than regular income taxes (around 8%, flat rate). Although they must submit a plan of operations to local authorities, those authorities have no power to interfere with its activities. By the strict letter of the law, it is much easier to start a small business in Moscow than it is in New York City.

This is not the most radical proposal. Some critics of the performance of the consumer sector have advocated selling gold abroad to increase imports, cutting defense spending and setting up a stock market.

### An Open Society?

Many in the West are impressed with the Soviet reform effort and the attendant openness campaign. Soviet scholar Stephen Cohen has pointed out that today people are allowed, even encouraged, to say and do things that would have put them in prison five years ago. This is true; yet the same was true in the early Khrushchev period, when denouncing Stalin was also fashionable, and in the early Brezhnev period, when Khrushchev was the whipping boy. One should never forget that *perestroika* is the party line, and there is no guarantee that this line will not change when it becomes politically expedient.

*Perestroika* does not represent the formation of a capitalist economy in the Soviet Union. It is, rather, the grafting of certain capitalistic forms to the socialist economy in an attempt to place it on its feet. The Party is not now suddenly discovering economic truths; the idea that the West has "educated" the Soviets is

ludicrous. The Party has always known that private initiative supplies the dynamism in an economy. It also knows that private initiative, left unchecked, can spark the creation of competing power centers, and this is the one thing the Party has never and will never tolerate. Power is what makes the system run and is the only thing worth having in the Soviet system, at least for the career-minded Party member.

### All Power to the *Perestroika* Pushers

Gorbachev is a power-seeker, and the political side of *perestroika* reflects this. Gorbachev wants to create a new office of President with sweeping foreign and domestic policy powers. This is a way for Gorbachev to get out from under the thumb of the Politburo and exert personal, not collective, leadership. At the same time, he retains the post of General-Secretary of the Communist Party, enabling him to make sure the ideological direction

of the country suits his ends. He wants to strengthen Party control over state organs at local levels by doing away with state personnel and fusing the local soviets with state organs. I don't want to dwell overmuch on the political aspects of *perestroika*, but suffice it to say that at the same time the economy is being decentralized, political controls are being centralized, and Gorbachev, if successful, will assume more personal power than his current favorite target, Stalin. Economic *perestroika* helps him in this end by dislodging the economic bureaucracy which saps the strength of the Soviet state and hampers Gorbachev's ultimate designs. Once these goals are achieved, *perestroika* may be as temporary as NEP was.

We have an indication of this from Gorbachev himself. In his book *Perestroika*, the General-Secretary draws a historical parallel between the current policies and those followed by Lenin in the closing days of World War I:

The terms of peace that Germany peremptorily laid down for us were, as Lenin put it, "disgraceful, dirty." . . . Yet Lenin insisted on a peace treaty. Even some members of the Central Committee objected, saying that the workers, too, were demanding that the German invad-

ers be rebuffed. Lenin, however, kept calling for peace because he was guided by vital, not immediate, interests, the interests of the working class as a whole, of the Revolution and the future of socialism. To safeguard them, *the country needed a respite before going ahead*. Few realized that at the time. Only later was it easy to say confidently and unambiguously that Lenin was right. And right he was, because he was looking far ahead; he did not put what was transitory above what was essential. The Revolution was saved. *It is the same with perestroika* [emphases added].<sup>8</sup>

By comparing *perestroika* to the hated Treaty of Brest-Litovsk, which gave over half of European Russia to the

*Today people are allowed, even encouraged, to say and do things that would have put them in prison five years ago. But this was also the case in the early Khrushchev period, when denouncing Stalin was also fashionable, and in the early Brezhnev period, when Khrushchev was the whipping boy.*

Central Powers, and was speedily repudiated two days after the Armistice, Gorbachev gives the world a signal about restructuring. Not only will it be transient, but while it is in place it should be seen as a necessary evil at best.

### The Ties That Beguile

At the same time, the Soviets are trying to increase ties to the West through trade. At first glance, this seems to bode tightening bonds with the West, a closer relationship and lasting peace built on free trade. That's wonderful Nineteenth Century rhetoric, but I caution against getting one's hopes up. The same thing took place in the early phases of NEP, when the Soviet Union concluded major trade agreements with Britain and Turkey. Contact with these nations did nothing to ameliorate subsequent Soviet behavior.

The Soviet situation is better understood in the long-term. Current conditions fit a historical pattern. The Soviet state has followed a set dynamic: expand, consolidate, expand again, consolidate again, and so forth. Expansion takes place when the main adversary (currently the United States) is weak and the correlation of forces—a term in no way meant to imply the balance of

military power, but the overall geopolitical situation taking into account all factors, economic, political and military—favors the socialist world. When the adversary reacts, or when the Soviet Union is exhausted (or both), peace feelers go out and consolidation begins. The Soviet Union recovers and at the same time attempts to weaken the resolve of the adversary by touting themes like "peaceful coexistence" and "detente." This phase is the "respite before going ahead" of which Gorbachev speaks. It is not peace, as they define it, but the continuation of the class struggle by other means. Peace can *only* come about when all non-socialist states have been subverted or conquered; and that remains the ultimate, long-term aim of Soviet foreign policy.

The Soviets recently ended an expansionist phase, which began with the end of detente and ended sometime during the Reagan Presidency. They made some quick victories in the late 1970s and early 1980s. Faced with a new resolve by its

adversary and a collapsing economy at home, the Soviets realized that it was time for rest and reorganization. When the system has geared up, the economy is in good shape and the adversary has weakened or turned its attention elsewhere, the expansionist phase will be renewed.

### The Prospects for Genuine Reform

In the meantime, what will be the effects of *perestroika* on the Soviet citizen? The reforms will almost certainly build a consumer sector of a much higher standard than the current decrepit system has produced. Prices will fluctuate, supply and demand will work their wonders, businesses will compete and quality will improve. Worker productivity, tied to self-gain, will rise. Service cooperatives will spring up bringing buyers things undreamt of by the planners and Party technocrats. Most importantly, with the new freedom to profit from inventiveness, suppliers will begin to innovate and bring to consumers things the consumers could not know they wanted because they did not exist beforehand. (The developing computer software industry is one example.) In short, all the glories of free interaction in the marketplace will manifest them-

selves, as they always will when people are allowed to do as they please.

And this is why *perestroika* cannot last. Even assuming that Gorbachev is sincere and truly wants a certain amount of freedom for its own sake, the spirit of this freedom is inimical to the controls of the total state (which the Soviet Union remains to this day). As people exercise their rights, rights now granted by the state but previously suppressed by it, they will sense what it means to be free, and they will want more freedom. As they begin to fulfill their needs through their own actions without state involvement, they will begin to question whether a powerful central state is needed at all. The state, and especially the Party, will come to be seen as a vestigial organ on a healthy body politic. Power centers will develop as wealth increases; the first tentative steps towards organizing political opposition will be taken, both covertly and overtly; and sometime before there is an actual capitalist revolution in the Soviet Union, the Party will come down on the society, take away its freedoms, and again establish order.

Some Party bureaucrats already oppose *perestroika*, seeing it as a threat to their privileged positions. This "bureaucratic inertia" has been much talked of in the West, but public opposition, a more proximate threat, has been largely overlooked. This opposition derives from the radical nature of the reforms and the speed with which they are being introduced. The pillars of the Soviet political culture are order and security. A citizen always has a job, even if one doesn't

much like it. One has a wage, which is at least adequate. One has food, even if it is of poor quality. One has a home, even if it is dilapidated. One has shoes, even if they aren't stylish. In the face of *perestroika*, this security is placed in doubt. The Soviet cage may not be gilded, but the Party provides, and, believe it or not, some people prefer it that way. While the Party denounces Stalin and his system, many citizens, young and old, admire Stalin as the man who made the USSR a world power. If enough workers are freed, if prices rise, and if shortages do not end, the citizenry may turn on *perestroika*, giving support to those elements in the Party which would see the "irreversible" experiment end.

Is *perestroika* unprecedented? No. It has not gone as far as NEP. Private ownership is not discussed. There are no plans to go to a hard currency. Agriculture is still mostly in state hands. Most importantly, the apparatus for Party-political control is still in place. If the radicals have their way this will change, and given the volatile history of the Soviet Union I would not discount that possibility totally. However, freedom as we understand it is impossible so long as the Party retains power. Beyond this I will not make any predictions, though I will conclude with a cautionary note.

In declaring the Soviet leader its "Man of the Year," *Time* magazine described his reform efforts: "his methods were tough, but they paid off."

The year was 1943, and the man, Joseph Stalin. □

## Notes

1. In *Argumenty i fakty*, June 19:7.
2. Mikhail Gorbachev, *Perestroika* (New York: Harper and Row Publishers, 1987), p. 100.
3. *Ibid.*, p. 96. This development is of special interest to free market economists, since they believe that it is pursuit of self interest that makes the market economy work so well.
4. Today's sugar rationing is linked not to lagging sugar production so much as to an attempt to squelch "moonshine" production, itself a reaction to government restrictions on alcohol, which were part of a campaign to raise labor output through fighting inebriation.
5. The Soviets and their clients are well aware that most uprisings in history were precipitated by food shortages. For this reason, cities, the centers of power, are never without food. This lesson is not lost on other autocratic regimes: Two years ago, when Ethiopia was undergoing famine, it was the farmers who actually starved, not the city dwellers.
6. From a broadcast on Soviet Central Television, July 29-30, 1987.
7. The text of this law was published in *Pravda*, June 8, 1988. Note the concept of "socialist ownership" as separate from state ownership. This distinction is part of a new doctrine referred to as "People's Socialism," with traditional state ownership called "State Socialism." The term People's Socialism can be seen as an analog to the oxymoronic term State Capitalism. In a capitalist society, those who advocate state ownership often prefer to avoid calling their program "socialism," so they claim it is a new form of capitalism with the state owning business; i.e. "state capitalism."
8. Gorbachev, *op. cit.*, pp. 52-3.

## Letters, continued from page 4

citations, referring to 41 books. I submit that 83 of 129, or 64%, is more than a few; and I submit that if 41 books are "a handful," then Holmes has big hands. (Perhaps he should give up journalism and pursue a career in professional basketball.) The correlation between reality and Holmes' description in this example is characteristic of his entire review. Fits of violent outrage, evidently, are not conducive to accuracy.

*Liberty's* readers must have wondered what triggered the hostility. The answer, in all likelihood, is that Holmes didn't like the message of the book. You see, *The Dogs of Capitalism*, contrary to Holmes' review, is not a book about dogs. It is, in reality, a book about the formation of human character—a book that

used the history of fighting dogs to explore the nature of good and evil. Profound moral questions arise when dealing with matters such as bear baiting, bull baiting, dog fighting, etc. The motivations of the men who engaged in such activities, and of the men who crusaded against them, are an ideal vehicle for the reasoned investigation of moral questions.

Mitchell Jones  
Austin, Tex.

### Felines & Heroism

Readers who follow Erika Holzer's booknote recommendation of *Solo's Journey* (Sept., 1988) are in for a big surprise.

The hero of the novel does display

"courage and insight" as Mrs Holzer says. But I can hardly see how his struggle was for "freedom." Solo struggles to become the ruler of his group of cats and along the way becomes its religious leader as well. He embodies the characteristics of what Ayn Rand calls "Attila and the Witch Doctor" as archetypes of mysticism and political force. In fact, by the novel's end he becomes the embodiment of a combined church and state. Not only does he engage in the initiation of force, but he also has a variety of mystical experiences.

I thought that *Liberty* advocated rationality and freedom. Why you would publish such a vile review is beyond me.

Ronald Robinson  
San Francisco, Calif.



# Reviews

*The Evolution of Cooperation*, by Robert Axelrod, Basic Books, 1988  
*Envy: A Theory of Social Behavior*, by Helmut Shoenck, Liberty Press, 1987  
*Resentment Against Achievement: Understanding the Assault Upon Ability*, by Robert Sheaffer, Prometheus, 1988

## Envy vs. Cooperation

John Dentinger

The lessons to be learned from the best books on social theory are not limited to questions of political philosophy and ideology. Some books offer valuable insights to libertarians in advancing not only our ideas, but our careers and personal lives as well.

In *The Evolution of Cooperation*, Robert Axelrod explains, from the perspective of game theory, how cooperation can evolve in a world of self-interested actors in the absence of central authority. He does this by analyzing mathematically<sup>1</sup> a game that occurs quite frequently in real life: the Prisoner's Dilemma.

The name is taken from the most famous formulation of the game. The authorities have nabbed Abel and Baker, collaborators in a crime. The prosecutors have enough evidence to nail either prisoner on a minor charge, yielding a one-year prison sentence. The prosecutor offers each of them the same deal: if you hand us the extra evidence we need and your accomplice doesn't, we'll let you go free and we'll get him a five-year sentence. But if both offer the evidence, the prosecutors will get a three-year sentence for each. Abel and Baker are not allowed to communicate, and face the following dilemma: whatever the other prisoner/player does, he is better off if he defects. If Baker "cooperates" (with Abel) by re-

maining silent, Abel will get one year if he remains silent, and will go free if he talks. If Baker defects by talking, then Abel will get three years if he talks, and five years if he doesn't. So each player has an incentive to defect—but if they do, they both wind up worse off than if they had cooperated.

In contrast with zero-sum games like chess and poker, in which one player must lose for another to win, a Prisoner's Dilemma can result in a win or a loss for both (or all) players. A classic example is the choice between trade and theft.<sup>2</sup>

Let's imagine that Tom has two tomatoes and Letitia has two heads of lettuce. The law of diminishing marginal utility tells us that the second lettuce is of less utility than the first. Thus the advantage to each of cooperating—swapping one tomato for one head of lettuce—is clear, but there is even greater advantage to each of defecting—promising the exchange and then making off with the other's item without paying for it. But if they both attempt to defect, there is no exchange and they are worse off than if they had cooperated. There is the dilemma: each would be better off if both cooperated, but each has an incentive to do something which, if done by both, results in them both being worse off.

This is one example of many. Any of the classic public goods problems constitutes a (many-player) Prisoner's

Dilemma. We are all better off for the existence of national defense (like David Friedman, I define national defense as defense *against* nations, which do exist and sometimes have to be defended against); but each individual would be better off still if everyone else paid for the defense but he alone shirked.<sup>3</sup>

If you don't like that example, here is one which should be dear to all our hearts: everyone is better off if everyone works to create a culture of liberty (by activities ranging from self-education to defying the agents of George III or latter-day equivalents). However, everyone also has an incentive to free-ride: to use the liberty offered by hardworking libertarians and not pay for it. Thus liberty is a public good, also. (It follows, ironically, that if public goods considerations always justify taxation, then the optimal amount of taxation would be the minimum necessary to fund libertarian activism to fight the inevitable attempts to increase taxation.)

Hobbes and others argued that to transcend the Prisoner's Dilemma, a central authority had to be brought in to threaten to bash whoever attempted to defect, thus changing the payoffs of the game. But Axelrod shows that this is not always needed. In real life, there is always the possibility that Letitia and Tom will encounter each other again, and either may retaliate for the dishonesty of the other. If there is a sufficiently high probability that they will meet (an uncertain number of times) again, and if each cares sufficiently what happens in the future, then each may have an incentive to cooperate in the current game. Then the situation is one of an iterated Prisoner's Dilemma.

What is the best strategy in this case? If the time discount factor (which reflects the importance of future events to the players) is sufficiently high, then there is no one best strategy independent of the strategy used by the other player. However, the strategy that tends to be most productive is one called *tit-for-tat*, which consists of cooperating on the first move, and then doing whatever the other

player did on the previous move.

Axelrod gives properties possessed by all of the most successful strategies in a computer tournament of the iterated Prisoner's Dilemma. These include:

1. Don't be envious. (More on this below.)

2. Don't be the first to defect. (This quality defines a "nice" strategy. All the most successful strategies were nice ones.)

3. Reciprocate both cooperation and defection. Interestingly, the optimal timing and amount of reciprocation turned out to be: immediately and proportionally (the proportionality factor depending on the strategies used by other players). This is exactly what *tit-for-tat* does. That is to say, no defection goes unpunished. This is not a permissive modern liberalism here. On the other hand, the strategy forgives as soon as cooperation is re-established. So this is not a punitive conservative strategy, either. Let's give some real life examples to clarify this.

A promising new employee makes a single costly goof. You, the employer, may (a) ignore the goof, beginning a strategy which eventually turns your employee into a brainless postal worker; or, (b) you may fire the employee, thus incurring retraining costs—again and again and again. Most likely, you will (c) reprimand the employee, with a hint that his future salary will be proportional to his output, and that if he screws up too often or too badly, he'll get the boot. That is to say, you will punish, but forgive. And no central authority is necessary to force this strategy on you.

Now for a harder case. Let us say that through some libertarian coup, victimless crime laws are abolished, and we libertarians get to decide what to do with former vice and narcotics agents. A natural tendency is to say that, in fact, these people are all criminals, and should be punished. At the very least, they should be tossed into a (profit-making) prison and forced to make restitution to their victims. Right?

Perhaps not. For is this not rather like Churchill's World War II demand for Germany's unconditional surrender—and likely to engender similar resistance? It might be more productive in two ways to forgive the stats their trespasses. First, most of them have skills which have some utility in the real marketplace;

and suitably encouraged, most would use these skills and develop more of them. Second, this stated strategy makes our philosophy more marketable. It makes us appear magnanimous; the alternative is to be condemned like the French Revolution, which did not stop at mere victory but went on to bloodletting—and did not lead to as free a society as the American Revolution, which did stop with victory.<sup>4</sup>

Axelrod uses the analysis not only to show what is the best strategy for an individual in certain iterated Prisoner's Dilemmas, but goes on to suggest ways to change the dilemmas that face people so as to give them more incentive to cooperate. One way is to increase the frequency of their interactions. An example would be a book publisher making several payments to a writer as his work proceeds, rather than giving him all the money in advance; it breaks one deal into several, each of a shorter time span; it intertwines action and consequence more tightly.

*Everyone is better off if everyone works to create a culture of liberty. However, everyone also has an incentive to free-ride: to use the liberty offered by hardworking libertarians and not pay for it. Thus liberty is a public good.*

Another social strategy Axelrod suggests is to teach people to care about each other—to teach altruism. It's a mark of the progress of the libertarian movement that one can say the a-word without being anathemized. Eschewing Rand's persuasive definition of the word, libertarian activists are behaving altruistically by helping to create the public good of liberty. Society is as tolerable as it is partly because of this altruism. We've all benefited from it. In its total absence, people would not even be polite to strangers.

A further social strategy is to change the payoffs, such as by bringing in a central authority. One example (mine, not Axelrod's) explains why disability insurance companies have been more dishonest than life insurance firms, and what has been done about it. Beneficiaries of life insurance policies are generally in a good position to sue if they get stiffed. So this tends not to happen. The disabled, however, have lost their incomes and may have mortgage payments to make. If

their disability insurers stall, they become desperate and may settle for ten cents on the dollar. They need the money quickly and cannot wait around to sue. One way in which a central authority can change the payoffs of this game is for courts to allow punitive damage awards for bad faith denial of insurance claims; this has proven a very effective deterrent to this kind of behavior.

Axelrod's example of changing the payoffs is this: "No one wants to pay taxes because the benefits are so diffuse and the costs are so direct. But everyone may be better off if each person has to pay so that each can share the benefits of schools, roads, and other collective goods . . . What governments do is to change the effective payoffs. . . . This prospect [of being sent to jail] makes the choice of defection less attractive." Indeed.

Another strategy that Axelrod should consider in this connection is that of internalizing externalities—that is, of holding people responsible for the bad effects of their actions and inactions (i.e., making people liable for polluting, littering, etc.). Many of the problems usually associated with public goods are actually public policy attempts to deal with *private* "bads." And libertarians tend to view most public goods problems in precisely this way: by reducing them to problems of private "bads."

Still, while most libertarians would disagree with Axelrod on just which goods are public, all but the most dogmatic would allow that there remains a residual and unfortunate core of public goods. Perhaps as society (slowly) evolves, a better balance will be struck between selfishness and public-spiritedness, so that more and more public goods will be produced without coercion, even as politeness, liberty, etc., are produced in generally greater quantities as time goes on. Meanwhile libertarians are left with the question of underproducing public goods, while Axelrod is faced with the problems laid out in public choice theory: the overproduction of supposed public goods. The problem is that, in attempting to transcend the Prisoner's Dilemma, the state takes us prisoner. And who will take it prisoner to prevent its exceeding its proper bounds? Axelrod, unfortunately, does not offer any suggestions.

The most important strategy Axelrod

proposes is reciprocity (i.e., the *tit-for-tat* strategy). Whether people understand the theory behind it or not, it works. As he points out, cooperation will evolve under suitable circumstances even without verbal communication between the parties (as in informal cease-fires in World War I trench warfare), and even without intelligence (e.g., when two life forms take on a symbiotic relationship). However, cooperation evolves much more quickly and more elaborately among beings that think than among beings (like microbes) that do not. Thinking beings can be persuaded to follow a given strategy so the spread of cooperation can be rapid. For unthinking beings, progress is the result of the deaths of those who do not follow the strategy.

### Evil Eyes and Evil Nays

Axelrod had pairs of his students play the Prisoner's Dilemma game for several dozen moves, telling them that the object was "to score well for themselves, as if they were getting a dollar a point. I also tell them that it should not matter to them whether they score a little better or a little worse than the other player, so long as they can collect as many 'dollars' for themselves as possible.

"These instructions simply do not work. The students look for a standard of comparison to see if they are doing well or poorly. The standard, which is readily available to them, is the comparison of their score with the score of the other player. Sooner or later, one student defects to get ahead. . . . Then the other usually defects so as not to get behind. . . . This standard leads to envy. And envy leads to attempts to rectify any advantage the other player has attained . . . by defection [which] leads to more defection and to mutual punishment. So envy is self-destructive. . . . A better standard of comparison is how well you are doing relative to how well someone else could be doing in your shoes." Life is not a zero sum game; the other player's loss is not necessarily your gain.

Yet it's obvious that most people don't think in those terms. Helmut Schoeck's classic *Envy* devotes over 400 pages to this pervasive phenomenon. He discusses its psychology, its consequences in various cultures, even the taboo against mentioning it (literary scholars have avoided mentioning the e-word

while discussing entire novels whose theme is envy).

Envy is a powerful force, capable of destroying societies or preventing them from developing anything that could be destroyed. In one chapter Schoeck discusses "The Envy-barrier of the Developing Countries." (It's ironic that he uses that euphemism for those squalid regimes, for it is the envy-barrier that sees to it that they are non-developing countries.) In poor societies, the egalitarian ideal of near-uniformity in economic status is al-

*The notion of the noble poor is a romantic myth. Dishonesty, laziness, drunkenness, and gratuitous violence are taken for granted in proletarian neighborhoods. And poverty does not cause these things: rather, they cause poverty.*

ready realized, and envy is acutely focused on the tiny differences that there are. To appease envy, the more capable give away their goods instead of investing, and they choose to produce less. Thus the culture of poverty perpetuates itself.

He discusses the "evil eye," the envy of the gods or spirits which leads to a general propitiation of envy, an avoidance of displays of wealth or even health. In discussing proscriptions of luxury, he remarks, "it may be seen to what extent sumptuary legislation is at bottom a substitute for the magical propitiation of nature and spirits among primitives. I suspect that those of us who scorn the affluent society are partly governed by these same archaic emotional complexes."

Robert Sheaffer, in *Resentment Against Achievement*, analyzes some of the same territory that Schoeck does, but using the game-theoretical perspective of Axelrod, whom he cites. After a discussion of the *tit-for-tat* strategy, he concludes that

the emergence of a group pursuing self-advancement through honest behavior on top of every developed society is not due to "exploitation of the masses" or to some bizarre coincidence; it is a predictable consequence of mathematical laws. Similarly, the proletarian's economic failure is not due to a sinister conspiracy or to prejudice against him, but is an inevitable consequence of his fondness for mendacity; he is playing by a script that is a certain loser. Surprisingly, Axelrod found that a group practicing defection (i.e., mendacity) can in some cir-

cumstances be successfully "invaded" and bested by a cluster of people as small as 5 percent of the total. . . . In *tit-for-tat*, which at first trades primarily among itself [as a family or clan might do], then gradually expands outward. This suggests that aristocracies, at least in relatively developed commercial societies, may not have achieved their position through conquest in war, as is generally supposed; they may have gained their advantageous position by starting out as that original small minority that was truthful enough to practice a winning strategy.

The notion of the noble poor is a romantic myth. Dishonesty, laziness, drunkenness, and gratuitous violence are taken for granted in proletarian neighborhoods. And poverty does not cause these things: rather, they cause poverty. Likewise, upper class people are not honest because they can afford to be, but rather they are (or remain) upper class as a consequence of civilized virtues (successful strategies) such as honesty (and even, I should add, Boy Scout virtues such as punctuality and hygiene, on which more below).

Why has an unproductive strategy like resentment made so much headway in the modern West? Sheaffer suggests one reason: because the different classes judge each other by their own standards. The lower class can only imagine the acquisition of money by dishonest means, so they assume the upper classes are all crooks. Conversely, the achievement-oriented are used to hearing complaints only when they are legitimate, and thus generously but mistakenly impute legitimacy to proletarian complaints of injustice.

In reality, "there is no 'establishment' keeping the poor 'in their place'; the poor do that to each other most effectively through the rigid enforcement of achievement-hating, lower-class values." In particular, he discusses the taunting and violence against successful students, and the social sanctions against being anything but "cool" — i.e., displaying a highly-polished resentment to all the sources and consequences of achievement.

Oddly, Sheaffer never cites Schoeck, whose book is filled with insights from a variety of fields (psychology, anthropology, etc.) which throw light on the phenomenon of envy. Sheaffer's book has the

reverse ratio of analysis to scholarship; he relies mainly on well-known facts, but puts them in a new light. After discussing the liquidation of persons of ability in Cambodia by the dictator Pol Pot, he notes, "Cambodia was attacked and easily overrun by its Communist neighbor Vietnam, whose own assault upon its citizens of ability was less ferocious. (Those who say that war is caused by capitalist greed have never explained the 1979 war between Communist Cambodia and Communist Vietnam.)"

Sheaffer's view of Christianity is less sanguine than Schoeck's. Schoeck sees the development of Christianity as a step away from the ancient fear of divine and earthly envy. "Again and again [in the New Testament] we find parables the tenor of which is quite clearly the immorality, the sin of envy." He does concede, citing another author, that "The envious have succeeded in usurping the New Testament message [which] came to mean a mission to establish an egalitarian society, to achieve a levelling out, a state of uniformity here and now, in this world."

Sheaffer, however, sees the rise of Christianity as resentment triumphant. "Nietzsche describes the ancient 'aristocratic equation' of morality, the concept prevailing through the pagan period of classical antiquity, as 'good = aristocratic = beautiful = happy = loved by the gods.' He contrasts this with the moral equation established by Christianity, which prevails even today: 'The wretched alone are the good; the poor, the weak, the lowly, are alone among the good.' . . . It is probably not a coincidence that learning and civilization collapsed not long after this view became widespread." Elsewhere he remarks, "We are accustomed to seeing the magnificent statues of antiquity in fragments, with arms and legs missing, heads gone, etc. I had always assumed without thinking that these were the ravages of time, earthquakes, etc., until a friend pointed out that the destruction of most of these magnificent works of art was probably quite deliberate, as angry Christian mobs savaged temples and even private homes, destroying anything that was suggestive of 'worldly' culture. Gibbon chronicles some of this destruction. . . . Here we see the consequences of proletarian resent-

ment against the achievements of the ancient world."

He sees Marxism as a secular equivalent of this, and draws a brilliant parallel between the present Soviet regime and the medieval Catholic Church, leading to a suggestion of (very) long-run optimism: "Over time . . . socialism will become as eroded from its initial ferocity as today's tepid Christianity is from the fanaticism of Tertullian and Torquemada. This same erosion—due to the conflict between dogma and reality—is visible in the Soviet Union, China, and other Marxist countries even today. Unfortunately, it operates extremely slowly."<sup>5</sup>

Sheaffer's chapter on politics draws a picture of the standard left-right model of the political spectrum and says, "Clearly, this model is worthless." As an example, "Those on the right today . . . typically are not consistent in demanding anything at all. They say they want to see the generation of wealth through free-market principles, but at the same time they promote a religion which would condemn to

*Perhaps as society (slowly) evolves, a better balance will be struck between selfishness and public-spiritedness, so that more and more public goods will be produced without coercion, even as politeness, liberty, etc., are produced in generally greater quantities as time goes on.*

everlasting torment anyone who actually did so."

He then presents "an obviously more sophisticated two-dimensional model," which is more familiar to libertarians as the Nolan chart, categorizing groups as being for or against economic and civil liberties. Even in this model he finds shortcomings: "For example, many Christian fundamentalists, who clearly cannot be lumped with Marxists or even with conservatives because of their populist, anti-intellectual, anti-business orientation, oppose both personal and economic freedom."

Sheaffer's approach is somewhat broader, incorporating analysis of motivations and attitudes into the libertarian model of freedom and coercion. For instance:

What is *taxation*? Some people say 'taxation is theft.' Others say taxes are the dues we must pay under 'the social contract.' However, I suggest

that, to a first approximation, taxation can be regarded as the financial cost of resentment to achievement. . . . Apart from a certain number of useful services, most of our tax dollars go either to subsidizing resentment, or else to defending against it. The dollars that go into income redistribution programs subsidize nonviolent domestic resentment . . . a bribe intended to keep them placated. Foreign aid is a similar bribe . . . Law enforcement programs and prisons are the price we pay to keep violent domestic resentment in check and our defense establishment exists almost solely to defend our achievement-oriented society against the 'international class struggle' ceaselessly being waged by a profoundly resentful proletarian state.

Unfortunately, the cost doesn't end there. One of the ugly costs of envy and resentment, deserving of an essay in itself, is the existence of long lines for goods and services. The ubiquity of lengthy queues in socialist countries has long been remarked. In our "free" society,

many such lines are to be found in socialized operations such as the post office and assorted departments of motor vehicles, staffed almost entirely by those resentful of those who pay their salaries. And rush-hour jams on freeways cannot be ended until we have peak-hour pricing of

freeway access; but this rational policy is prevented by fear of arousing the resentment and envy of those whose access at those hours is not economically justified. Likewise, the motivation of so-called anti-scalping laws is nothing but envy. When large numbers of people wait in line but are turned away for lack of tickets to a rock concert, could it be that there weren't enough "scalpers" to balance supply with actual demand, that is, to make up for the fact that the promoters weren't charging enough money? Of course. But no one can say so, because the replacement of queues with higher prices would be an unpleasant reminder to the envious that some people's time is worth more than others'. Most of the time wasted standing in lines is sacrificed on the altar of resentment.

### Lessons for Libertarians

All three of these books are valuable, but those with time to read only one

should read Sheaffer's. There is a risk of merely integrating Axelrod's or Schoeck's books into one's parlor chit-chat, without ever seeing oneself in the role of the envious party. But Sheaffer is far more graphic: when one observes in oneself some of the evidence of resentment that Sheaffer discusses, the shock to one's self-concept is alarming enough to effect a change of behavior.

That there is a need for such behavior modification among some members of the libertarian movement may be inferred from the criticism in these pages and elsewhere of "*Luftmenshen*" (i.e., people who have no visible means of support, who seem to "gain their sustenance from the air"<sup>6</sup>). Many *luftmenshen* are quite intelligent; part of the problem may be a schooling system that does not require discipline of intelligent youth; the result is that the more intelligent graduates are more likely to be handicapped by lack of self-discipline—a Procrustean result worthy of Kurt Vonnegut's dystopian story "Harrison Bergeron."<sup>7</sup>

Many *luftmenshen* are similar to what Sheaffer calls urban bohemians, who are "typically found only in major cities . . . tend to be college educated, highly cultivated in their tastes, but not affluent (often downright poor). . . . They live in rented apartments and seldom, if ever, put down deep roots. . . . urban bohemians are nearly always well educated although typically in subjects that seldom offer the prospect for affluence—literature, sociology, and so on. Unfortunately for them, they are sharing a city with some extremely motivated and productive people . . . who bid up the price of all commodities, especially housing." Libertarians of this type do not join their fellow urban bohemians in clamoring for rent control; they just live in anarcho-slum areas, or remain living with their parents into their 30s or 40s. Some highly intelligent people wind up with no jobs or jobs far below (what were once) their capabilities; often they take jobs like proofreading, typesetting, or word processing. If they are doing these things in order to have time for scholarly or other public-spirited activities, more power to them. Even if the spare time is frittered away on riotous living, we are not entitled to nag them—but we are entitled

not to listen to their complaints of poverty.

Not to hold myself above my own criticism, my own efficiency has been hampered by a reluctance to finish certain tedious tasks, such as filing clippings and tear sheets. That is, I fail to *defer gratification* long enough to be more organized, and in the long run, more efficient. Phrasing it in those terms makes it embarrassingly clear that this essentially lower-class habit has inhibited my progress.

*We are being tolerant when we say that the zany, unkempt, and unintelligible should not be institutionalized; we are being fools when we recruit these people as spokesmen for libertarianism and candidates for public office.*

Another unproductive habit I had fallen into was listening to the whining complaints of people who are even less productive than I. It was incredibly wasteful to allow my time to be taken up by people who were not about to take seriously any advice I offered. I have attacked this problem by writing out and adhering to a budget for my time, allotting for this activity only enough time to get the complainers off the phone. After all, are not these time-wasting complaints really the product of an unfocused resentment which no libertarian would dare express directly—and don't the complainers, by wasting time and mental energy, help drag the listener down to the level of themselves, thus providing misery with company? The point of this modest example is merely that the problem is not always a stark one of success and failure; most often it is a matter of degree, of success in place of possible greater success.

But the problem is placed in sharpest relief when it is more exaggerated than most of us experience, and for that reason it is worth examining some extreme cases which are in fact mercifully rare. In these extreme cases, no complex or elaborate analysis is required to see what's wrong; Dear Abby could diagnose (if not cure) these people in twenty seconds. But framing the analysis in the above terms might be more effective in changing the behavior of libertarians. So let us consider the cases of four intelligent, mostly articulate, libertarians.

A is college educated, but lazy. She

has had a paid job for 3 days of the four decades of her life. She never even bothered to take care of the formalities she needed to get her college degree, although she did all the necessary course work. She was once a very promising songwriter. But at some point in her 20s, she stopped even giving this as an answer when asked "what she does." Now this question is met only with sullen resentment. Though she has all the time in the world for reading, she gets all her information from the fun-house mirror of television. She is still living in her parents' home, where she is sinking to their level of ignorance and racism. (Sheaffer comments that seldom do persons of achievement succumb to racism; rather, "People

who harbor powerful racial prejudices . . . have to keep reminding themselves that they are indeed 'better' than some other group, because there is good reason to suspect otherwise.")

If A is a study in stasis, then B is a study in dynamic stagnation. He is at times full of energy, and pours out reams of fiction and essays, with sparks of brilliance buried in tons of meandering digressions. At the same time he has held down a succession of word processing jobs which were fairly lucrative for that field. That his abilities were impressive was proven by employers' long tolerance of this prima donna. His temper tantrums and witty, vicious memos were legend. He lost the most lucrative of these jobs by having one temper tantrum too many. He appears to measure his worth in part by seeing how much shit people are willing to tolerate to have him around. B complains interminably of his (mainly self-induced) problems, but becomes irate on hearing any suggestion that might actually help.

C's problem is modest next to these. He is a mathematical genius, and fairly successful financially; unlike A and B, he

### Errata

On page 65 of the September *Liberty*, we failed to properly indent the last full paragraph in the first column, which was a direct quote from Loren Lomasky's *Persons, Rights, and the Moral Community*, and not part of Douglas Rasmussen's comments on that book. Our apologies to all concerned.

has been a generous donor to libertarian causes. The problem? In his almost unworldly dedication to his work, he neglects such elementary virtues as personal hygiene. I have been in the position of having to assure a prospective employer of C's that with only a small amount of nagging, C can be persuaded to take a bath. This may seem obvious, even silly, but it points out that the lack of any Boy Scout virtue—politeness, cleanliness, etc.—can sabotage the success of considerable talent. C's problem does not stem from envy or resentment, but many of us have met at least one libertarian who could stand to meet a bar of soap, a toothbrush, and more than one set of clothing.

D is a paradigm case of the resentful urban bohemian. He does everything possible to draw attention to himself, and when you look, it's not a pretty picture. Gratuitously fat, a belligerent smoker, with long, usually greasy '60s style hair, D cannot even afford a car. While admonishing others to eschew all statist institutions, he gets about on government-run buses (and by bumming rides from friends). Though D is one of Murray Rothbard's biggest fans, he is a prize example of Rothbard's observation that some libertarians don't want the movement to succeed if it means they will be

little fish in a big pond.

Quite often people like B and D manage to have as friends, for a time at any rate, some very bright and capable people. Several of D's associates went on to become successful writers; but I don't think it's entirely coincidental that they were far less frequently seen in D's company after their success than before. They are probably struggling with the question we should all ask ourselves: why encourage these people?

There is a great danger in carrying the virtue of tolerance too far. When I join with Sheaffer in describing certain virtues as aristocratic, I don't claim that they are virtues in all contexts; e.g., honesty to a government employee or thief is not always a virtue. Likewise, we are being tolerant when we say that the zany, unkempt, and unintelligible should not be institutionalized; we are being fools when we recruit these people as spokesmen for libertarianism and candidates for public office. We are being suckers when we tolerate and tacitly encourage unproductive whining by listening and commiserating. Without going along with Sheaffer by claiming that all of the unproductive are resentful, we can paraphrase him thus: "What is the most noble thing that an achiever can do to improve society? To help [the unproductive] to

learn to achieve. How can this be done? The key element is to prevent [unproductiveness] from being a profitable strategy."

Those who use human intelligence can learn better strategies instead of merely going bankrupt or dying off from practicing bad ones. As a new strategy, I suggest each of us examine ourselves, and see if there isn't some grain of lower-class values that we could profitably root out of ourselves. And we should encourage others to do likewise, especially young people, who may not yet be set in their ways. And as for those on whom we have spent substantial encouragement with no visible return—both giver and receiver of wasted charity would be better off if the giver simply moved on. □

#### Notes

1. But no special background is required of the reader; the most devoutly mathematophobic Austrian can read the book—with profit.
2. Axelrod, unfortunately, does not give this example. It should interest students of economics that it is precisely the law of diminishing returns which causes the payoffs in choosing between trade and swindling to be arranged as a Prisoner's Dilemma.
3. Because of his poor understanding of economics, Axelrod offers (p. 7) this fallacious example of a PD: either, neither, or both of two nations can erect barriers to trade with the other. He mistakenly says that nation A is worse off dropping its barriers if B refuses to do so, though Adam Smith refuted this canard hundreds of years ago.
4. The following observation is offered for the gratification of the vindictive: many narcotics and vice officers, deprived of legal opportunities to wield power over the innocent, would resort to illegal ones and soon wind up in prison anyway. (This is the moral analog of the observation that if the market were allowed to operate freely after a one-time egalitarianizing of our society, the wealth would before long wind up in pretty much the same hands.)
5. Schoeck notes one aspect of the mechanism of this evolution from ferocious resentment of achievement. A limiting factor to the envy provoked by "luxury" is that the organized movements expressing that resentment, such as Bolshevism and National Socialism, can only come to and remain in power ("at least after an initial phase of plunder and riot") by delegating power to a minority of functionaries who form themselves into a hierarchy of administrators who themselves become the new plutocracy or bourgeoisie. "Each party or group that comes to power creates, of necessity, a new privileged class with an ideology that will again render economic inequality 'tolerable.'" Most of us will find that limit a rather small consolation for the egalitarian subversion of our own culture.
6. Murray Rothbard used this term to describe many of the supporters of Russell Means for his bid for the Presidential spot on the 1988 Libertarian Party ticket, and the term has since gained fairly wide usage among libertarians. See his "Life or Death in Seattle," *Liberty*, August 1987.
7. In *Welcome to the Monkey House* (New York: Dell, 1970).

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*The Patriot Game*, by Peter Brimelow, Hoover Institution, 310 pp., 1988

## Nonsense Up North

Walter Block

In the view of many inhabitants of the U.S., Canada is a sort of arctic Nebraska, a country populated by drunken sports fishermen and hockey players who live in igloos. This, at least, is the perspective offered by *National Lampoon*, which goes on to say, "It is very hard to tell a Canadian from an extremely boring white person, unless he is dressed up to go outdoors."

As a result of such stereotypes, and the paucity of Canadian coverage in their news media, many Americans are oblivious of the real Canada. To the extent they think about it at all, they see the nation to the north as an affable nonentity. They might perhaps have heard of Pierre Trudeau and his efforts to bring socialism to Canada, but this is not treated as any great threat.

The reality is rather different. Canada is the most important trading partner of the U.S. It is geographically significant as the single nation that lies between it and the Soviet Union. Perhaps of greater interest to the readers of *Liberty*, its political spectrum is skewed far to the "left," at least compared to what obtains in the U.S. or U.K.

There are three major parties in Canada. On the right are the Progressive Conservatives, roughly equivalent to the liberal or Rockefeller wing of the Republican Party, or to right wing Democrats such as Sam Nunn. In the middle is the Liberal Party, formerly headed by Trudeau. The Grits, as they are called, take a position similar to that staked out by Gephardt, Teddy Kennedy or McGovern. On the left the New Democratic Party takes a stance roughly similar to that of Jesse Jackson or Fidel Castro. There are only a few right-wing Tories, less than a dozen, who occupy political ground comparable to Thatcher, or to what Reaganism once promised to be. But they are vilified by all and sundry—particularly by the leaders of their own party, the Progressive Conservatives—as

"dinosaurs" and "neanderthals."

Given this political bifurcation between the two North American neighbors, there is somewhat more reason for concern south of the border than exists at present. Given the global problems it faces, the last thing the U.S. needs is another Cuba—a more civilized and urbane one, to be sure—along its northern border.

It is in this context that Peter Brimelow's book *The Patriot Game* takes on such a vital importance. For it describes Canada realistically, and takes great delight in excoriating false impressions commonly bruited about. In an important sense this is a Canadian and non-fictional version of *Bonfire of the Vanities*. For, like that best selling book by Tom Wolfe, *The Patriot Game* tells it like it is, exactly like it is, let the chips fall where they may. If you want to fully understand Canada, and can read only one book on the subject, this is the book for you.

Brimelow shows that although the Canadian economy does reasonably well by international comparisons, its natural and human resources, the relative homogeneity of its population, and its extremely limited defense spending ought to make its standard of living higher than that enjoyed by the U.S. Instead, to the extent that these things can be calculated, Canadian income and standard of living is only some 70% of that possessed by its southern neighbor. How can this unfortunate circumstance be explained? The main thesis of this book is that this failure comes about because "Canadian politics is embroiled in a tangle of pathologies." It is this skein that the book authoritatively unravels.

Consider the political realm. Canada is not a genuine nation, Brimelow argues, but rather an amalgam of its English and French "solitudes," with only the latter emerging as a genuine nation-state. Its political system is heavily biased toward the central Canadian provinces of Ontario and Quebec, with very little representation for the western or the Atlantic

provinces. Because of these deep divisions, an unusually large and powerful "new class" has emerged to fill the power vacuum. Its membership, including virtually all politicians, professors, pundits, priests and public servants, is the intellectual bodyguard that defends a continually expanding role for the government. As in the England depicted by the wildly popular and humorous book and television series *Yes, Minister*, the Ottawa mandarins persevere, more and more deeply imposing their vision of a bureaucratic and centrally organized statist economy onto the mindset of the populace.

The interventionist economic policies which have resulted from this reality have been a disaster for Canada. The Foreign Investment Review Agency has long interfered with capital movements. The National Energy Program has placed a monkey wrench in Alberta's oil development. Canadian law is much more favorable to organized labor than in the U.S., leading to a unionization rate above 40% north of the 49th parallel, compared to less than 20% south of the border. This heavy unionization, combined with a far more liberal unemployment insurance policy, has translated into higher unemployment rates in Canada than in the U.S.

What passes for the intellectual tradition in "the true North, strong and free," is virulently pro-nationalist, which means anti-American. This outlook is embodied in radio and television content laws, which are aimed at eliminating the effects of the outlandish and imperialistic U.S. culture on tender Canadian sensibilities. Were the fate of the U.S.-Canada free trade deal to be determined by the nation's intellectuals, there is little doubt that it would go down to resounding defeat, killed by the intellectuals' overwhelming fears of the loss of political, cultural, and economic sovereignty.

At the core of the Canadian reality are English-French relations. According to the usually incisive social commentator *The National Lampoon*, "It is reported that Canadians keep pet French people. If true, it is their only interesting trait." But in this case they have for once got it backwards. As Brimelow convincingly shows, if there is any such relation, it is the reverse: the French Canadians keep their English counterparts as pets. Consider bilingualism. This exercise in social engineering has made the use of the French language mandatory even in the nine predominantly English-speaking provinc-

es, at great cost and inconvenience, everything from road signs to cereal boxes to court proceedings to legislative enactments must appear in both "official" languages. And yet in Quebec, the infamous Bill 101 mandates that French alone be used on all storefronts and commercial signs. Any attempt to use both languages, or God forbid, English alone, is severely penalized.

Other Canadian pathologies include a predisposition toward the radical feminist agenda (quotas, affirmative action, equal pay legislation), an uncritical acceptance in some circles of native land claims, and more crown corporations than you can shake a stick at. This includes the major airline (Air Canada), the telecommunications network (Canadian Broadcasting Corporation), the oil company (PetroCanada), and thousands more. These are run in roughly the same manner as the U.S. Postal Service, and with similar efficiency.

What does the future hold? Brimelow's guess is that the country will break up into two parts, Quebec and English Canada—or more, if sectional divisions cannot be resolved.

The long march away from socialism and toward freedom appears to be more likely to take place south of the "world's longest undefended border." Let us consider only one leading indicator of this movement, one with which I happen to be familiar: the quantity and quality of think tanks generating research that supports the case for economic freedom. In the U.S., there are literally dozens of such organizations. They include Heritage, Hoover, American Enterprise, Cato, Manhattan, Mises, Reason, Foundation for Economic Education, National Center for Policy Analysis, Center for Libertarian Studies, Competitive Enterprise, Heartland, Atlas, Humane Studies, Pacific, Independent, Contemporary Studies and the Political Economy Research Center. In Canada, in contrast, there is but one, the Fraser Institute.

Crystal ball gazing is at best an inexact science. But if these trends continue, and the two nations diverge further on the political and economic spectrums, an intelligent understanding of Canada will become ever more important. And if this happens, *The Patriot Game*, the most definitive examination of Canadian political culture now in print, will no doubt prove invaluable. □

*The Kingdom in the Country,*  
by James Conaway, Houghton Mifflin, 293 pp., 1988

## Nobody's Land

William P. Moulton

The subtitle of *The Kingdom in the Country* tells us that it deals with "the land nobody owns," referring to the vast real estate holding of the federal government. I imagine most readers have seen those maps that indicate the extent of "public" land ownership in this country. Personally, I have to admit that they always give me a slight shiver. In the east there are just little patches—mostly parks and nature preserves—until one comes to the eastern slopes of the Rockies. After this comes the deluge. From the high plains of Colorado west to the Pacific and north to Alaska, the great bulk of the land is owned by Uncle Sam (or by "the people," if one prefers a high school civics book interpretation of our polity).

Perhaps a case can be made for some governmental landholdings, for recreational and conservation purposes (although I am aware that excellent arguments can also be made for the privatization of such lands). No rational argument, however, can be given to justify federal ownership of about 96% of Alaska, 85% of Nevada, 70% of Utah, 45% of California, and half or more of Oregon, Wyoming, Arizona, New Mexico, Colorado and Idaho. At least, I can't think of any decent justification, and the one offered by the author, that "[t]he homogenization of America has been postponed by the existence of public lands, where people can pursue lives truly different from those elsewhere," seems just plain silly.

The figures I give above, incidentally, will not be found in Conaway's book, which contains no graphs or charts and only a handful of statistics. Conaway's approach is that of travel anecdotalist. He spent several months driving through the West, sticking as much as possible to the vast federal domain. The book does not pretend to be particularly orderly or systematic, and were it not for a "here is my route" map in the endpapers it would be difficult to trace his journey in detail.

In spite of this, the casual reader will

learn, as I did, quite a lot about the federal empire which sprawls across our western states. The Bureau of Land Management (10,000 employees, administrator of 178 million acres of the Lower 48 and 100 million acres of Alaska) is part of the Department of the Interior, while the Forest Service (27,000 employees, ruler of 146 million acres in the Lower 48 and 23 million in Alaska) is a division of the Agriculture Department. The Forest Service generally has the better land, has a more professional and science-oriented staff, and is more rigid in its land-use regulations. In contrast, the BLM was left mostly with the Land That Nobody Wanted.

This is not to imply that the relatively uncouth acres of the BLM don't have their uses. Under provisions of the Federal Land Policy and Management Act, passed in 1976, the Bureau is obligated to provide for all reasonable uses of its land, from grazing (typical charge to ranchers: \$1.35 per month per steer, 27¢ per month per sheep) to timber cutting, from mining to recreation, from wildlife conservation to the preservation of archeological and paleontological sites. Some of these tasks are handled with a certain degree of rationality under something approaching market conditions, while others call to mind the classic tragedy of the commons. Curiously, despite a fair display of erudition concerning the history of the West, Conaway seems to be unaware of the role that lack of property rights in land played in the pattern of violent conflict which periodically erupted into range wars in the preceding century.

### Tales of an Obscure Country

The bulk of *The Kingdom in the Country* consists of vignettes ranging from the bittersweet to the cutsie-pie to the (unintentionally) humorous. These sketches are not about the land itself, for the author does not display much interest in geology, ecology or any other relevant discipline. They are, rather, about the people who live near it, or who roam, hide, squat,

camp, poach or prospect on it. The reader is introduced to the Basques who herd sheep in the high ranges of Idaho and Montana (hardly any other people can cope with the cold and the isolation). We are led through some of the remote and forlorn hamlets which squat on the BLM domain (usually the town itself is at least partially in private hands). Colorado City, Arizona, population 2,000, is a polygamous Mormon community ruled by a patriarch who receives his orders directly from God and denounces the parent church in Salt Lake City as having fallen into the apostasy of monogamy. We get a view of Sarpy Creek, Montana, population one (it's a long story). Conaway visited villages which are only seasonally and marginally connected to the outside world by road, or frequently what serves as a road if you have a good pickup and it didn't rain that month.

Conaway spent time with both marijuana growers and their official opponents in the remote wilds of Humboldt County, California. It was a relief to learn that public opinion in the area seems to tilt at least slightly in favor of the growers. The local *Redwood Record* has condemned the Campaign Against Marijuana Planting squads, and cooperation by local civilians and even law officers appears to be minimal. A deputy sheriff, upon being told in Conaway's presence that a group of entrepreneurs were drying large quantities of the forbidden weed at a nearby motel, shrugged and said "We're a poor sheriff's office . . . I would have to stake the place out and drive to Eureka for a warrant. That's five, six hours." When the author left town, bags of the weed were being openly carted into the motel for treatment.

The most repulsive person to appear in this book is the ecology writer Edward Abbey, the Arizonan whose opus *The Monkey Wrench Gang* made him a cult hero and popularized the concept of "ecotage"—sabotage against persons, institutions and things seen as enemies of the environment. Abbey is a Galbraithian type who lives in comfort and adulation while bitching about how greedy and immoral ordinary people are. Some of Abbey's gems of wisdom are classics of the genre: "It's important to resist [development], to slow it down, hoping against hope that people will change their views,

or that we'll have an economic collapse. I'm counting on biology to bail us out—famine, plague, anything." To give us a goal for which to aim, he opines that "We should reduce the population of the United States to, say, fifty million." You get the point. The lower orders should go broke or, better yet, die as quickly as possible and make room so the better sort can enjoy the scenery. These progressive humanitarians are a lovely lot.

*Edward Abbey argues that "We should reduce the population of the United States to, say, fifty million." You get the point. The lower orders should die as quickly as possible and make room so the better sort can enjoy the scenery. These progressive humanitarians are a lovely lot.*

There are other character portrayals ranging from the archetypal (lonely rugged cowboys, Indians cheated by the White Man, whores with hearts of gold) to the unusual (professional Anasazi pottery poachers, a grizzly counter, a Wyoming "range detective" *cum* hired gun who had lost his earlier job as police chief when he shot and killed an unarmed deputy during an argument).

### Lost in the Wilderness

Despite the considerable variety in careers and lifestyles, a general miasma of the forlorn, of sadness, of dead-end jobs or dead-end lives seems to hang over much of the author's survey. Many of the people seem to be in remote corners of the West because they've failed everywhere else. I was musing over this fact when something suddenly struck me, although I'm sure it never occurred to the author. If the United States had no private property, at least outside of small urban plots—and this is the situation in many nations—the *whole country* would, economically and socially, enjoy the fractious, decaying and parasitic way of life that exists on the federal lands. Actually, of course, things would be worse in many ways, since the world portrayed in this book is surrounded by a real economy from which to draw sustenance. Without private property, the U.S. would be nothing more than a large nation with great natural resources, a considerable but rather sparsely distributed population, and huge nearly empty spaces. Let's see—what other country does

that sound like?

Conaway's account of his travels ends with a huge gathering of radical ecologists on the Uncompahgre Plateau in southwestern Colorado. For the most part, these people are not academic environmentalists, nor yuppies who want to frolic in the wilderness for two weeks each summer. They are, so to speak, the Real Thing. Wilderness people. They live there. Yet the author's account had me yearning for good old-fashioned East Coast elitist snobs. If Conaway's sample is at all representative, these western ecofreaks seem to be nuts, or, at least, unpleasant people—a mixture of nitwit ideologues and rednecks, often combined in the same person.

Some of those camped in this remote corner of the world are loners, others belong to obscure groups such as the Southern Utah Wilderness Alliance and the violence-prone Earth First! organization. Clad in t-shirts and clutching banners with slogans such as "Oppression of Wilderness is the same as Oppression of People," "Deep Ecology," and "Eat the Rich," they begin a chant:

"Fuck Senator Melcher!  
Fuck Senator Wallop!  
Fuck Senator McClure!

Fuck . . ." well, you get the idea. This is their level of political sophistication. We're not dealing with Aristotle here.

One of the offerings at the encampment is ecological guerrilla theater. As the author left, he observed part of a performance: "I saw [Bill Devall, co-author of *Deep Ecology*] flapping his arms and cawing, and I asked if he was a crow. 'A raven,' he said, and flapped off."

What can I say? □

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# Booknotes

**Puff, the Magic Dragon of Politics** — If Michael Dukakis needs an intellectual cover for his plans to nationalize the economy, Robert Reich will be happy to provide it. That's why Reich is one of Dukakis' two economic advisors. But don't look to *Tales of a New America* (Vintage Books, 1987) to find a blueprint for the future. In this tract, we get more political puffery than program.

Reich teaches economics at Harvard's Kennedy School of Government, Dukakis' primary source for brain trusters. But Reich is more than a mere professor; he is a professional pundit who dabbles in the pedantries of partisan politics as if they really mattered and makes himself accessible to the policy world and the media.

He argues that American political and economic history can be explained in terms of "morality tales" acted out through political culture. The American Revolution, the Progressive Era, the New Deal, the Reagan Revolution are based on stories about the "mob at the gates," the "benevolent community," and the "rot at the top." There is a common thread in all of them, Reich says: "our morality tales refer to a collective identity. They affirm a common destiny."

The groups that are likely to lead in the post-Reagan era, says Reich, are those who tap into a new American theme: cultural and political collectivism. The old themes—conservative greed and "tepid" liberal fiddling—have worn thin and don't express the desires of workers, businessmen, and consumers to cooperate within a coordinated policy framework implemented by an activist government. In clearer terms, Reich wants a Central Plan.

The hook upon which the dull text hangs is the promise that this new collectivism will be politically successful. Could he be right? Maybe so, if our measure is the large number of pressure groups likely to support it and the lack of an organized opposition.

We can't depend on the American right to challenge the Reichian thesis. Rightist Paul Weyrich, the head of the Free Congress Foundation in Washington, D.C., provides the perfect echo with his theory of "cultural conser-

vativism," which turns out to be big government run by right-wing politicians.

Like the left, Weyrich, and his collaborators like the Heritage Foundation and George Will, support government paternalism. They agree that government is, as they say, the *highest* expression of culture and community. We shouldn't be surprised that George Gilder praised Reich's book as "intelligent and original."

But will the business world accept a Reichian program? If it's in their interest. Both *The Wall Street Journal* and *Business Week* offered cheers for *Tales*. Being part of a government-enforced corporate cartel means the lush life for CEOs. Ignore the fickle whims of the buying public, forget potential competitors, and enjoy a secure bottom line.

There already exists a "familiar dynamic between American business

and government," Reich points out. There are tariffs, subsidies, bailouts, low-interest loans, regulations, privileges, safety standards, etc. And big business is often the biggest advocate of this "dynamic." Reich then argues that he simply wants to coordinate the intervention, a program he calls "collective entrepreneurialism."

It's snake oil. But the argument illustrates what is wrong within even the tiniest intervention: it provides a reason and excuse for ever more of the same. —JAT

**Crime as Art, Art as Crime** — The premise of Charles Willeford's *The Burnt Orange Heresy* is striking: James Figueras, art critic on the make, tracks down reclusive superstar painter Jacques Debierue, a man whose work has stimulated the art world for decades.

Debierue's paintings are legendary, even though none are on display and only a handful of celebrated critics have ever seen them! Figueras wants to enter this critical elect by seeing, reporting on, perhaps "liberating" a specimen of Debierue's latest work. Although

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### Personal

**SWM, 38**, handsome business owner, seeks right woman to win travel sweepstakes to my river retreat to explore nature and future involvement. For entry blank, write: Travel, 2979 Mew Cove, Memphis, TN 38119.

Debierue affably agrees to be interviewed, he refuses access to any of his paintings. When Figueras eventually breaks into the locked artist's workshop, what he finds there is a revelation, recasting the past and determining a tragically satisfying conclusion.

Just about everything in this tight novel clicks, but the highlights are the amazing plot and the thematic disclosure of the Janus-faced relationship between artists and their interpreters. As Nietzsche said, we are greater artists than we know.

It may interest Rand-watchers to note how *The Burnt Orange Heresy* counterpoints Rand's aesthetic posture. The novel is structured like *Atlas Shrugged* in three parts, each named after a sentence from a nihilistic quote from Gorgias:

Nothing exists.

If anything exists, it is incomprehensible.

If anything was comprehensible, it would be incommunicable.

In fact, the critical elect who shaped Debierue's reputation includes one Louis Galt, "an avowed purist in his approach to nonobjective art" (p. 50), writing in the Summer, 1958 issue of *The Nonobjectivist!*

Willeford wrote *The Burnt Orange Heresy* back in 1971, but a new paperback edition of this sharp insider's view of the art-criticism world has recently been released (Black Lizard, 1987) and is well worth collecting. —SMS

**Black in Tooth and Claw** — Libertarians should take special note of Dave Barry's works. For one thing, he is outrageously funny. For another, he is a libertarian; he was converted to libertarianism by *Liberty* editor Sheldon Richman, who met him when both worked on small suburban newspapers in Pennsylvania.

Dave Barry is a columnist for the *Miami Herald* and his column is carried weekly in major newspapers around the country. He comments on everything: buying a dog, dating, camping, golfing, phone manners, advertising, raising kids, vacations, whatever. His political views are most explicit in his annual history of the previous year, published in late December.

Last year, Dave Barry won the Pulitzer Prize for commentary. It was a huge blow to Washington, D.C.'s opinion industry, which speaks only within the confines of respectability as defined by

the U.S. Government. The very idea: a "humorist" receiving the same award won by George Will and Charles Krauthammer!

*Claw Your Way to the Top: How to Become the Head of a Major Corporation in Roughly a Week* (Rodale, 1986) is a hilarious look at the corporate world and the culture that underlies it. It's the ultimate guide to surviving and prospering in the U.S. corporate bureaucracy by, above all, faking it. His stories and tips will hit home to everyone who has worked for even a medium-sized company.

In addition to historical anecdotes we get: a guide to writing a resume ("Your resume is more than just a piece of paper: it is a piece of paper with lies written all over it"); a guide to the job interview ("One obvious way to remain calm and perspiration-free during an interview, of course, is narcotics, but there you run into the problem of scratching yourself and trying to steal things off the interviewer's desk"); a guide to writing office memos, including using correct diction ("use the word 'transpire' a lot"), and a section on How to Dress Exactly Like Everybody Else. —JAT

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*The Dead Pool*, a film directed by Buddy Van Horn; screenplay by Steve Sharon; story by Steve Sharon, Durk Pearson and Sandy Shaw; produced by David Valdes; a Malpasa production; released by Warner Brothers. Starring Clint Eastwood, Patricia Clarkson, Liam Neeson, Evan Kim.

## Shit Out of Plot

Mike Holmes

As a fan of previous Dirty Harry movies, I looked forward to seeing *The Dead Pool*. I have always liked Clint Eastwood's portrayal of that cool-handed dispenser of justice, Harry Callahan of the San Francisco Police Department. I was also curious about the contributions of sometime *Liberty* writers Durk Pearson and Sandy Shaw, who share story credit for *The Dead Pool* with Steve Sharon.

Some critics, including Chicago newspaper and TV celebrities Siskel & Ebert, have proclaimed *The Dead Pool* the best Dirty Harry film so far. I do not share their enthusiasm.

*The Dead Pool* suffers from three major flaws. It is packed with gratuitous, unbelievable and irrelevant violence. The tension provided by Harry's hostile relationship with the San Francisco Police Department (by now a tradition) is entirely missing. And worst of all, the plot simply doesn't work.

The film's title refers to a gambling pool over which local celebrity will be the next to die, which is a setup for a serial killer to begin a reign of terror—and for Harry to do his thing.

Now I like exploding red dye packets splattering all over the landscape as much as the next post-adolescent American male. But just what are we to make of repeated 10,000-rounds-per-second Uzi machine gun attacks on Harry & company—including one long attack on Harry in a glass elevator—which fail to leave so much as a nicked thumb on our hero? These episodes not only require a suspension of disbelief, they require the suspension of every known physical law in the universe.

This time, Harry's trademarked menace line ("Go ahead, make my day," "Do you feel lucky, punk?" etc.) is the R-rated

"You're shit out of luck." But alas, the story here is shit out of plot. . . .

The failure in plotting is most strikingly evident regarding the antagonist—the villain—who in past Harry movies always provided more than enough visceral justification for Callahan's bang-bang Magnum style of street justice. The sinister horror movie director who seems to be *Pool's* black hat turns out to be a red herring. All of his earnest loathsomeness is totally wasted. In the end, we learn that he isn't such a bad guy after all.

And the local *mafioso* Harry throws into the slammer seems villainous enough. But he quickly disappears from the plot once Harry applies a little creative prison lifestyle leverage of his own. This mafia bad guy ends up providing Harry a set of goon bodyguards, for heaven's sake!

The bad guy turns out to be a psychopath who pops up after two-thirds of the film has passed. He is crazier than a pit bull in a poodle parlor, so darned loony it's hard to feel much outrage over his evil deeds. He's just an uninteresting and unworthy mental case rather than a true villain.

The overdose of misdirection regarding the identity of the villain ultimately turns *Pool* into a no-brainer formula flick. Too much *deus ex machina*.

And poor Harry. He's finally co-opted by the very System he's battled so faithfully in his past films. Although the police department PR honcho tries to manipulate him (Harry resists; who in his right mind wouldn't?), Harry is otherwise treated as a hero by the department. His attempts at skepticism over this hero worship don't come off. The dual-edged structure of his antagonists—the bad guys and his own department—present in previous Harry flicks is totally

absent. Without a bumbling police bureaucracy and a visible evil menace, Harry's steel-coiled reactions are largely wasted on extraneous set-piece shootouts.

Nevertheless, there are some good parts in *Pool*, some of the best bits of the Harry epics. The car chase, about which so much has been said and written, is a refreshing twist on the old movie cliché. This appears to be the handiwork of Shaw and Pearson, who have for years delighted audiences with discussions of bizarre and novel weapons and tactics. And the squelching of the mafia chieftain in prison, via Harry as "mailman" for the baddest dude in C-block, is delightful.

In the final shootout scene, *Pool* has to top previous films where bad guys get blown to bits with things like anti-tank rockets. This time "justice" is dispensed with a conveniently provided whale harpoon, the arrival of which in one's navel signals the fact that, yes indeed, you really are shit out of luck.

But this incident occurs only after the bad-guy psychopath (whom we scarcely have come to know at all) discovers he's out of bullets. It all comes down to our police detective harpooning an unarmed madman. Hardly very sporting. And not very libertarian, either. Police aren't supposed to execute unarmed suspects, no matter how deserving.

It is unclear how much responsibility Shaw and Pearson bear for this ultimately unsatisfactory venture, particularly when you consider how low down on the totem pole Hollywood story writers usually are. But while their miracle chemical nostrums may have cured Clint of his mumbles (as Shaw and Pearson have broadly hinted), their storyline didn't cure the film, or prevent it from inflicting a seriously strained sense of credibility.

Let's hope the Harry series doesn't become like the Rambo films. Those, if you recall, started out fairly libertarian in storyline and plot but soon degenerated into dumb blood-and-guts hackwork. Harry needs to rely less on plot gimmicks and bullet-proof sneers and more on authentic tension between our hero, his police department, and some villains worthy of his talents. Harry has too much going for him to end up as just another Rambo with a badge.

Go ahead, Clint, and take those food supplements. But next time, don't forget to bring along the plot. □



# Notes on Contributors

"Baloo" is the *nom de plume* of Rex F. May, whose cartoons appear in numerous magazines, including *The Wall Street Journal* and *National Review*. Mr May is the editor of *The Trout in the Milk*.

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# Terra Incognita

## St Paul, Minnesota

How the political leadership of this progressive state proposes to help solve the "farm crisis," as reported in the Hibbing (Minn.) *Daily Tribune*:

The Honorable Rudy Perpich, governor of Minnesota, proposed a law to make it illegal to sell in Minnesota any item made of plastic unless the plastic be manufactured from com. Gov Perpich plans to encourage neighboring states to take the same action.

## Moscow

Evidence that philosophy flourishes in the socialist paradise, especially now that *perestroika* is in full flower, as reported by *The Wall St Journal*:

"The philosophy is lagging behind reality," says Nail Bikkenin, the editor of the Communist Party's theoretical journal, *Kommunist*. "At the moment, we are living under socialist pluralism even though, quite frankly, we don't know what it is."

## Princeton, New Jersey

Evidence that philosophy flourishes at Princeton University, as demonstrated in an interview with a recent honors graduate, as reported on *Later* on NBC-TV:

In response to the question, "How good an actress do you think you are?" Brooke Shields exposted, "I think I'm a lot better than even I think I am."

## Detroit, Michigan

The advance of religion in the Motor City, as testified by an advertisement for the Church of Today in the Detroit *Free Press*:

"You are invited to hear Dr. Dyer share all the wisdom of his 'no limit' way of life as he magically takes you on a most joyous voyage of self discovery. Dr. Dyer will show you how to be the no-limit person you are now . . ."

## Moscow

Latest advance in cartography in the birthplace of scientific socialism, as reported in the Los Angeles *Times*:

Viktor Yashchenko, head of the Soviet Union's Main Administration of Geodetics and Cartography, announced that his department will begin publishing maps that are intended to be accurate. He admitted that for more than 50 years, his department, which has a monopoly of map publishing in the country, has published only maps that were designed to be confusing, deceptive and inaccurate in order to confuse enemies of the Soviet State.

In the past, Soviet cartographers made accurate maps for government use only, but these were classified as secret and protected by armed guards.

One new map has already been published, and another is promised for later in the year. "All places, points, and other information will be shown where they really are," Yashchenko promised.

## Colombo, Sri Lanka

How American Foreign Aid helps people in the developing world, as reported by *The Wall St Journal*:

The U.S. State Department pledged \$10,000 to finance the training of mongooses to sniff out illegal substances on deplaning airline passengers, many of whom are Moslem and consider the idea of being sniffed by a dog repulsive.

## Hanoi

Probably the best read advice column in this revolutionary socialist country as reported in *The Wall St Journal*:

Nguyen Van Linh, Secretary General of the Communist Party of Vietnam, writes a front page column for *Nhan Dan*, the Communist Party's official newspaper. The column is titled "Things Which Must Be Done Immediately."

## Ottawa, Canada

Evidence of the resourcefulness of Mackenzie King, who was Prime Minister of Canada for more than 21 years, including the dark days of World War II, as reported in the Grand Rapids (Mich) *Press*:

According to just-published diaries that Mr King wrote each day from 1893 until his death in 1950, the statesman regularly consulted various dead people for advice and information while leading his nation. King placed his hands on a "little table," and asked questions. The spirits of various dead people identified themselves and answered questions by rapping on the table.

In September 1939, with war clouds gathering in Europe, his dead father advised him that Hitler was dead, "shot by a Pole." After he was interrupted by a phone call from London about a British communication with Hitler, he again consulted his dead friends, whereupon 19th Century British Prime Minister William Gladstone informed him that "war will be averted." When the war broke out a few days later, King concluded that a "lying spirit" had somehow got control of his little table.

In the course of laying the foundations for Canada's welfare state, enacting important laws to control monopoly and guarantee collective bargaining, King frequently consulted a wide variety of dead people, including Queen Victoria, Florence Nightingale and Anne Boleyn. He once delivered a message from Franklin Roosevelt (dead) to Winston Churchill (living).

"The spirits in general did not tell him what to do," wrote C. P. Stacey, biographer of King. "They told him that what he had done or what he had decided to do was right."

## Garrison, Iowa

The man chosen by the Grand Old Party to be the next President of the United States tells what he reflected upon while drifting at sea after his plane was shot down in battle in World War II, as reported in *The Wall St Journal*:

"I thought of my family, my mom and dad, and the strength I got from them. I thought of my faith, the separation of church and state," related George Bush at the Old Creamery Theater in this east Iowa metropolis.

## Rancho Santa Fe, California

The advancement of free verse in the Golden State, as excerpted from a cantoby Gus R. Stelzer of this metropolis, and reprinted in the Washington, D.C., *Spotlight*:

"Reflections"

What is 'Free Trade'?

It is founded on an immoral double standard.

It mocks the U.S. Constitution.

It encourages evasion of U.S. laws.

It undermines American national sovereignty.

It erodes the individual's control of his own destiny. . . .

(Readers are invited to forward newspaper clippings or other documents for publication in *Terra Incognita*.)

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- Instructional seminars in introductory and advanced Austrian economics.

- National conferences on the gold standard, the Federal Reserve, the income tax, sound banking, and the work of Ludwig von Mises and Murray N. Rothbard.

- The O.P. Alford, III, Center for Advanced Studies in Austrian Economics.

- Public policy work in Washington, D.C., on the free market and gold standard.

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