

# Liberty

September 1997

Vol. 11, No. 1

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The Pest of the  
Alternative Press

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Place that Bet:  
Gambling is rational  
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*by David Ramsay Steele*

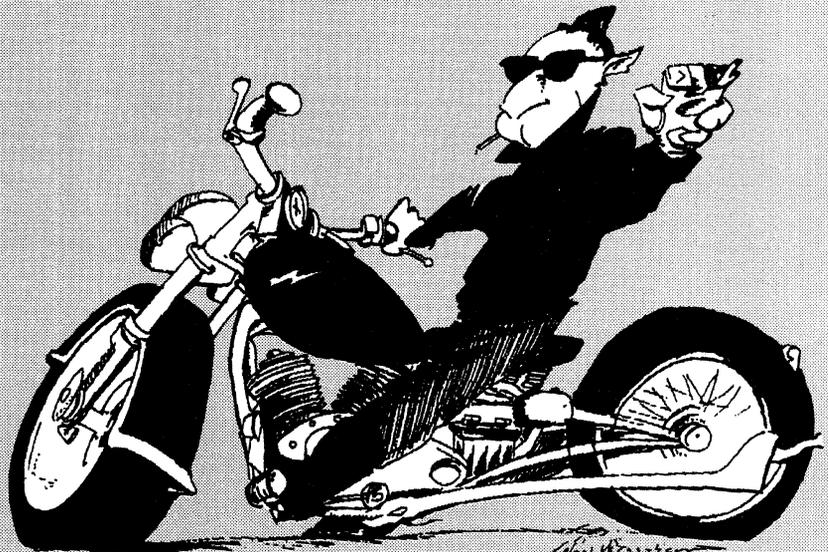
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Peart?  
*by Scott Bullock*

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*by Robert Higgs*



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# Liberty

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# Letters

## No Shelter from Criticism

Most women's shelter directors are far too busy seeking funding and stretching scarce resources to spend energy on the kind of strident political statements Joy S. Taylor claims to have heard ("No Shelter from the Storm," July 1997).

Certainly any agency providing money requires accurate accounting of their funds, but the examples she cites appear to this longtime volunteer and board member to be due to misunderstandings during her training. Our shelter receives much of its funding (slightly over half) from various state and federal agencies. The remainder, from various non-government agencies, requires the same careful accounting as the former.

Because there are always more clients than shelter beds, we must reserve space in our safe house for those without friends or family or motel money; this does not imply any bias against educated women — it's just reality, and help through counseling and referrals for restraining orders and job training is never income- or race-based.

Incidentally, our shelter, like many others, will shelter battered men also.

Elsa Pendleton  
Ridgecrest, Cal.

## Facts of Life

Jane Shaw's credulous and uninformed review of Michael Behe's *Darwin's Black Box: The Biochemical Challenge to Evolution* ("Darwin Defied," July 1997) omits the information that has led every scientist I know to reject intelligent design.

Blood clotting is a case in point. Evolution selects for a long enzyme cascade so that the clot forms all at once and is not washed away by bleeding, and we have excellent molecular family trees that show how and when these

enzymes evolved. Behe knows all this, but he never explains why a designed system would leave such a clear evolutionary record, and he airily dismisses well-understood genetic mechanisms with absurd probability arguments that contradict elementary statistics.

It's hard to explain how unconvincing this is to biologists, and it's hard to say what evidence might persuade Behe that blood clotting could have evolved, short of synthesizing all the reconstructed stages and showing that every step is functional, and every change an improvement.

Unfortunately, Behe feels no need to provide any evidence for his own views, such as his speculation that blood clotting genes may have existed in the first cell, four billion years ago. If that were true, then we would expect to find blood clotting genes in organisms that don't have blood — but Behe gives no evidence for this, because there isn't any.

Knowing none of this, Jane Shaw fell into the creationist trap. Behe has never published a technical paper on these ideas in any peer-reviewed scientific journal. Instead, he tries to persuade the public that the major unifying theory of 20th-century biology has been overthrown.

It isn't true. The evidence for evolution is much stronger now that biochemistry has traced life's common descent with a precision that Darwin could hardly have imagined. Behe's book is persuasive only if you don't know the facts.

Douglas E. McNeil  
Baltimore, Maryland

## Blatantly Theological

It is ironic that a leading advocate of atheism (George Smith) should be so hung up on a blatantly theological "fixed idea" like inalienable rights ("Inalienable Rights?" July 1997). The

notion was clearly born in the context of religious rhetoric, as exemplified by the Declaration's phrase "endowed by their Creator." And as Virkkala says ("The Stilted Logic of Natural Rights," July 1997), it was a convenient fiction in its day. Clearly, the rights to life, liberty, and property are entirely alienable, and in fact are alienated from us by the state and other criminals. Obviously, if we already *had* such rights, we would not have to advocate and fight for them.

Byron Fraser  
Coquitlam, British Columbia

## Finance and Freedom

To judge from Robert H. Nelson's review of Murray Rothbard's *An Austrian Perspective on the History of Economic Thought* ("Rothbard's Final Testament," March 1997), Rothbard seems to lump Luther, Calvin, and other Protestants together. This explains Rothbard's contradiction of most scholars who see the history of Protestantism as democratic and individualistic. Rothbard is looking at the Lutheran princes of Germany and the Anglican monarchs of England, who were elitist, statist, and distrustful of entrepreneurial capitalism. They freed themselves from Rome, but no one freed their people from them. He is also looking at the Calvinists' tendency to establish governments — albeit more democratic ones — which forced arbitrary values on their citizenry.

In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber is careful to distinguish which Protestants he is talking about. Weber attributed the Protestant ethic largely to the more popular, non-liturgical sects which included Calvinists as well as dissenters who rejected state-sanctioned Protestantism and attracted voluntary members.

The Protestant ethic opposed what would later be called conspicuous consumption. To Weber, this gave the new ethic its modern, capitalist character because it mandated that wealth be accumulated and reinvested

*Liberty* (ISSN 0894-1408) is a libertarian and classical liberal review of thought, culture, and politics, published bimonthly by the Liberty Foundation, 1619 Lincoln Street, First Floor, Port Townsend, WA 98368. Periodicals Postage Paid at Port Townsend, WA 98368, and at additional mailing offices. Address all correspondence to: Liberty, P.O. Box 1181, Port Townsend, WA 98368.

POSTMASTER: Send address changes to Liberty, P.O. Box 1181, Port Townsend, WA 98368.

Subscriptions are \$19.50 for six issues. Foreign subscriptions are \$24.50 for six issues. Manuscripts are welcome, but will be returned only if accompanied by a self-addressed, stamped envelope (SASE). A writer's introduction is available: send request and an SASE. Opinions expressed in *Liberty* are those of the authors and not necessarily those of the Liberty Foundation. Copyright © 1997 Liberty Foundation. All rights reserved.

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rather than consumed self-indulgently. In contrast, Weber said, the wealthy financiers of Italy spent their money on mansions and left the rest to the Catholic church when they died, since they were too guilt-ridden to leave it to their offspring. On the other hand, many Protestant theologians wrung their hands as Protestant entrepreneurs began to buy bigger homes, nice furnishings, and clothes. Enforced judgments were made by both religions about how a good Christian ought to use wealth. Rothbard is looking at the side of Protestantism that did not acknowledge each individual's full autonomy in such matters. Most historians would rather see the freedom granted by Protestantism, but most historians are not as libertarian as Murray Rothbard.

Miles Fowler  
Oakland, Cal.

### Send in the Hypotheticals

I found John Hospers' article ("Send in the Clausewitzes," July 1997) to be remarkably unconvincing.

The first part of the article asks two different questions and ties them together: first, "Should the U.S. have entered the war without a Pearl Harbor?" and second, "under the conditions that did exist in 1941, should we have gone to war to avoid the consequences of a Nazi victory?" Primarily, these are questions of tactics, not ethics.

What was the situation after Pearl Harbor? Germany had just been handed a strategic loss in the Battle of Britain, she had abandoned Operation Sealion to invade England, and was now faced with massive losses in Operation Barbarossa as her troops froze to death before the walls of Moscow. So, *no*, I don't think it was necessary for us to go to war to prevent a Nazi victory! A Nazi victory was not in the cards. A German war machine which could not cross the 25 miles of the English Channel had *no* chance of crossing the Atlantic Ocean to invade the U.S.

Hospers' article then pivots to immigration, and welfare payments to immigrants, as issues "which tend to elicit some degree of discomfort" from libertarians. His article seems to allow real discussion about open borders, but is precluded from doing so by *his* assumed conditions, which are: Americans *will* "continue welfare laws," and will continue to pay the way of the

poor who immigrate to this country. He further assumes that Americans cannot be counted on to support the poor voluntarily.

Based upon these assumptions, it is no coincidence that he does not specifically state what the problem is. Hospers' conditions resemble those asserted by a person who goes to a financial advisor because he is in debt and says, "I am not going to make any more money than I do right now. And, I'm not going to spend any less. Now,

with these givens, what advice can you provide me for getting out of debt?"

Damon Falconi  
Roseville, Cal.

### Voluntary Solutions

John Hospers poses dilemmas which, he appears to believe, must vex libertarian theory. But his reasoning parallels the usual pattern for justifying almost any act of state. He says: "Well, what then? Let's not assume that

*continued on page 36*

## From the Editor . . .

This issue marks *Liberty's* tenth anniversary. We managed to resist the natural impulse to extort congratulatory advertisements from other libertarian institutions, so the anniversary issue is much less tedious than it might have been. But we could not resist the impulse to self-congratulation — or (to put this in a more self-congratulatory way) the impulse to reflect on our experience. Steve Cox takes a page to explain why he's glad that he's been involved in this enterprise from the beginning. I take six pages to relate what my wife calls "all that creepy stuff" about launching and editing *Liberty*. And, for the record, we reprint the only editorial that *Liberty* has ever run: the statement of our editorial ambition that appeared in our first issue. I hope you'll indulge us.

As for the rest of the issue . . .

Bob Higgs and Loren Lomasky take on the War on Tobacco. Bob reports from the smoke-unfilled rooms of politicians and regulators in Washington, D.C. Loren reflects on the travails of smoking a pipe in Australia, where the war on cigarettes has been so successful that the battlefield has moved on.

The current issue of *Mother Jones* is devoted to a puritanical attack on the evils of gambling. Not surprisingly, *Liberty* offers a different view. David Ramsay Steele argues that gambling is a productive economic activity, beneficial both to those who gamble and to society at large.

Scott Bullock offers a portrait of Rush — the quasi-Randian rock group, not the obese windbag. Brian Doherty samples the goo that is served as intellectual fare by the *Utne* (rhymes with "chutney") *Reader*. Harry Browne and I exchange views in the first installment in a discussion of the prospects for libertarian political change.

Three voices appear in our pages for the first time: Michelle Malkin offers insight into the strange phenomenon of voters' raising their taxes in order to give gifts to billionaires, George Ayittey laments Africa's rejection of its indigenous institutions in favor of Western-style guns and statism, and Tom G. Palmer pokes fun at the spectacle of a self-described libertarian currying favor with a royal pretender.

Gary Alexander's review of *Waco: The Rules of Engagement* marks the first time ever, I think, that *Liberty* has published an opinion similar to the opinions published in the *New York Times*, the *Washington Post*, and *The New Republic*. Gary brings unique insight into the documentary and the events it records, based on his own experience with a religious minority similar in some respects to the Waco group.

Things around here remain as busy as ever. We finally got government approval to occupy our new offices (the pleasure of living under the nanny state!) and are beginning our physical relocation. We expect to have all the heavy lifting done and be ensconced in our new offices in time for our 10th anniversary celebration and conference, which will be held here in Port Townsend, Aug 22–24, the preparation for which also occupies us. Meanwhile, we're at work on our next issue . . .

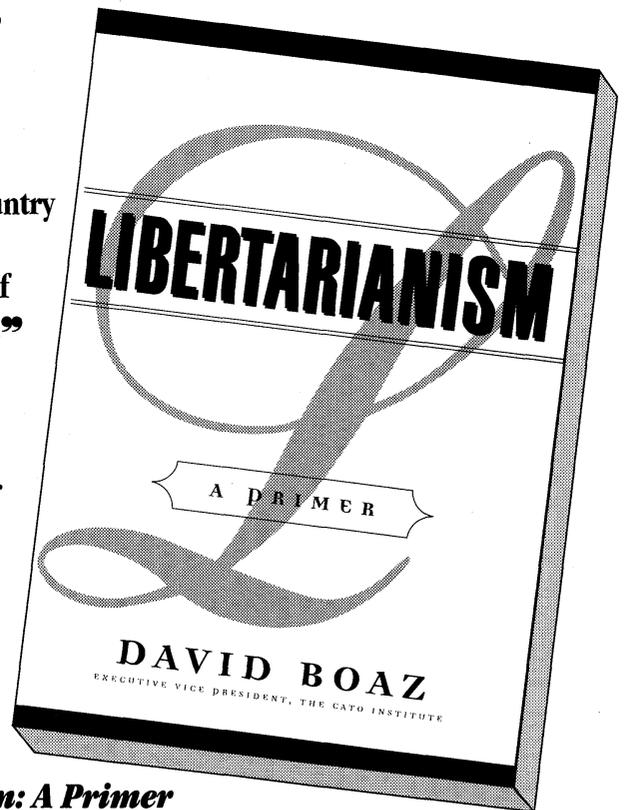
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# Reflections

## ***Have you hugged your Army today?*** —

When I was in Marine training in the mid-1980s, a great deal of emphasis was placed on America's Official Enemies, such as the Soviet Union and its allies such as Cuba and Libya. It was the mission of the U.S. military to respond to real and imagined threats from these countries. Of course, the USSR no longer exists, and its clients hardly seem menacing without a sponsor — so how does the defense establishment justify consuming a quarter of a trillion dollars a year?

A new Pentagon study entitled *Army Vision 2010* attempts to address this problem. It proclaims that “[i]n this unstable and turbulent world, the Army will continually be called upon to meet the Nation's needs: from responding to hurricanes, forest fires and other disasters; to internal security matters at Olympic and inaugural events; to humanitarian assistance; to shaping the future world environment through continuous contacts around the world; to peace-keeping; to nation building; and to conflict resolution.”

In other words, the Army plans to become an armed version of the Democratic party. —CS

***What's in a name?*** — In late June, the aggrieved families of Nicole Brown Simpson and Ron Goldman at last appeared to be making some headway in collecting a \$33.5 million judgment against that chronic goiter on the American consciousness, O.J. Simpson.

It seems Mr. Simpson's truant Heisman Trophy, minus its nameplate, mysteriously surfaced at the office of Ira Friedman, the Brown family's attorney. As weary rubberneckers of this never-ending pileup will recall, the statue had taken a hike a couple of months ago, supposedly while the financially drained Juice was off roughing it in the Bahamas. And at about the time that the Heisman wandered into Friedman's office, Simpson's attorney failed to convince the court that his client should be allowed to retain his six sets of golf clubs on the grounds that divot digging was an “essential” part of his client's life. Fully as essential as the occasional daiquiri on a tropical beach in the Caribbean, I'm sure.

While these developments might appear to provide some modicum of salve for the families' wounds, they also lend a taste of irony. Indeed, for the Browns and Goldmans to get full value for Simpson's Heisman, they must recover the missing plate, engraved at a time when the initials O.J. symbolized achievement and sportsmanship, rather than deceit and murder. And so, while Simpson grudgingly putts around with a single set of borrowed clubs, the Browns and Goldmans are left the unpalatable task of recovering O.J.'s good name. A tough lie. They might want to take a stroke on this one. —SGS

***One of our apologists is missing*** — On his television program in July, Tom Snyder asked Mark Shields about his theory that Bill Clinton was not the party who instigated the Whitewater shenanigans. Shields, who to my

knowledge had previously pretty much explained away all charges of wrongdoing by the Clintons, sagely opined that he thought that maybe Hillary was at fault. Bill had never had much interest in money, he explained. And Hillary was a young mother with a child when it all started and perhaps her husband (known for his roving eye) might not be around too long. She might have to raise the child herself. His implication was pretty plain: if Bill ran off, she might need a lot of money to support her child as a single parent.

There are at least two problems with this explanation. First, Hillary is an honors graduate of Yale Law, one of the most prestigious law schools in the U.S. Last I checked, very few top grads of Yale Law were going hungry, even if they had a daughter to feed and educate — not to mention that Hillary is the daughter of wealthy parents who are unlikely to allow their only daughter to become a welfare mom if abandoned by her husband.

Secondly, of course, it doesn't in any way justify what she (or she and her husband) is accused of doing: namely, assisting in the theft of millions of dollars from the public treasury.

The notion that Hillary was the instigator in the pattern of larceny that has characterized the Clintons' public career is old hat to readers of *Liberty*. I offered this same hypothesis more than three years ago. But it is interesting that a hitherto partisan defender of the First Family is now advancing it. I wonder: What sort of opinions will Shields offer three years from now? —CAA

## ***Where never is heard a veridical word***

— I recently read *The Closing of the Public Domain* by E. Louise Peffer. The first thing I noticed is that this book, published in 1951, does not question, but merely cites as fact, the federal government's stated justification for nationalizing huge portions of the West (as national parks and national forests) under Teddy Roosevelt. Peffer just accepts the feds' word that the unappropriated federal lands were in terrible condition as a result of overuse, overgrazing, overmining, and the like.

I started to question this idea when talking with my friend Wayne Hage, who is involved in a huge takings case (\$28,000,000) against the feds, for seizing his vested water rights (granted by an Act of Congress in 1872). The feds have claimed that the areas his cattle graze that are leased from the feds are in terrible condition due to overuse, overgrazing, etc. I went with Durk Pearson to inspect these lands and discovered that it was all a lie. The grass was waist high and lush. A local U.S. Forest Service employee himself said the lands were in great condition, better than any other rangelands he'd seen.

We did have one criticism. When we returned from the inspection, Durk told Wayne that there were too few cattle on the range and that some of the grass was collapsing into thatch, which kept the sun from reaching undergrowth.

Wayne replied that he had a pretty good excuse: the feds had seized his cattle at gunpoint.

I wonder: why should anyone believe what the feds said about the "terrible" range conditions in the 19th century, when we know they are lying now? —SS

**Friends in high places** — Does it seem to anyone else that the Libertarian Party is just a wee bit too excited to have celebrities as sympathizers? Alongside the usual drum-beating in the party's dispatches from Washington, D.C., there are the celebrity confessions of faith or endorsements: actor-director Clint Eastwood. Newsface Hugh Downs. And TV actor John Larroquette.

A mailer from the LP quotes this pronouncement from Larroquette: "I am a libertarian. . . . Harry Browne was the Libertarian Party candidate in 1996." My guess is that he won't be making the jump from sitcoms to *The McLaughlin Group* any time soon. —BB

**A vital function** — Apparently underwhelmed by the intellectual prowess of Alec Baldwin, the Republican Congress has just declined to renew funding for the National Endowment for the Arts. Horreurs! Did they forget that the NEA served a vital function: keeping the senators' wives busy while the senators were out shagging waitresses?

The panels that doled out grants were repositories of art faculty pinheads, aged New York party trash, and redundant Washington spouses. This is why I had hoped eventually someone would have thought to appoint a conservative to the board. Maybe I would have been appointed. That would have meant \$10,000 to the guy who paints flames on the hoods of old Chevies, \$50,000 to whomever designed the giant foam finger so popular at sporting events, and \$100,000 to the most talented carver of ivory pistol grips.

I wonder how long it would have taken the Democrats to abolish *that* agency. —JB

**Money talks, bullshit gets elected** — Recent polls show that Americans both (a) approve of Bill Clinton's performance as president; and (b) believe that he is a bad person, one likely guilty of some if not most of the charges of illegal fundraising, sexual harassment, theft from the public treasury, and perjury that have been leveled against him.

Republicans are bedeviled by these polls. They had figured that once Americans came to understand just what a low-life inhabited the White House, they'd turn on him — only to learn that the president widely recognized as the vilest swine to occupy the White House in a long time also enjoys the highest approval ratings of any recent occupant. How can this be?

The answer can be found in the slogan that the Clinton campaign had on the wall of its war room: "It's the economy, stupid!" So long as people are well off, and getting more well off every day, they are happy with their situation. And since Americans have come to believe that the state of the economy depends almost solely on the

occupant of the White House, they credit Clinton with their prosperity. The only thing wrong with the Clinton war room slogan was that it didn't go far enough. It should have read: "It's the economy, stupid! And only the economy." Nothing else matters.

It's tempting to say that only voters have the nutty idea that the state of the economy depends entirely on the president. Yes, government can do a great deal to mess up the economy. But prosperity depends on a great many factors, many of which have little to do with government. The fact is that no one understands the necessary and sufficient conditions for human prosperity, though some smarties think they do. Conservatives and libertarians frequently make idiotic predictions about the consequences of this or that government measure, forgetting the complexity of the system and the indeterminacy of the future. For example, those who predicted that the Clinton tax increase of 1994 would lead to recession are now eating their words.

Since 1976, Americans have elected incumbents when they perceived the economy was going well, and challengers when they believed it was not. Presidential politics is becoming a very different game than it was in the past. Timing is everything. To be elected, a candidate must gain his party's nomination either when the economy is booming (if his party is already in power) or when it is declining (if his party is out of power). But it takes a year or more of careful planning and hard work to get the nomination — and even the best economists cannot predict with much accuracy the state of the economy a year in advance. So politicians are pretty much playing a lottery.

When Bill Clinton decided to pursue the 1992 Democratic nomination, the economy was booming and President Bush was extremely popular. Clinton got the nomination in part because his most formidable potential competitors decided Bush was unbeatable; they planned to keep their powder dry for 1996. But people's perceptions of the economy changed, and Clinton was elected. And despite Clinton's tax increase, prosperity continued. So Clinton was easily re-elected, despite his obvious immorality.

I personally doubt that many voters actually believe that the state of the economy depends solely on who's in the White House. Sure, some Americans believe that government is overwhelmingly the most important influence on every element of their lives, an institution so powerful that it

controls their prosperity and even their personal happiness. This nutty idea is as common among conservatives as it is among liberals. It got its greatest boost from Ronald Reagan, who in 1980 invited voters to vote for Carter or himself on the basis of their answer to the question, "Are you better off now than you were in 1976?"

But most voters who routinely vote for the incumbent when times are good, and for the challenger when times are bad, probably don't actually believe that their prosperity depends entirely on the president. I suspect that they vote based on prosperity more out of default than anything else. Most voters cannot decide between candidates on the basis of policy differences — for the simple

**Liberty's Editors Reflect**

CAA	Chester Alan Arthur
BB	Brien Bartels
OB	Oliver Becker
JB	John Bergstrom
RWB	R.W. Bradford
HB	Harry Browne
NC	Nathan Crow
SC	Stephen Cox
RK	Richard Kostelanetz
RO'T	Randal O'Toole
RR	Ralph Raico
SJR	Scott J. Reid
SS	Sandy Shaw
CS	Clark Stooksbury
SGS	Scott G. Sutton

reason that policy differences are so few and so insignificant. So how can they decide? "Well, I just got a raise, interest rates aren't too bad, and the money I have tucked away in my 401-K plan is growing. So why rock the boat?" —RWB

**Profiles in pretentiousness** — At the start of his reign, every American president is lauded as a great reader. Key staff members accidentally leak the news of his biggest flaw: he cannot tear himself away from books. He reads them at all hours — upstairs, downstairs, and in his ladies' chambers — to the sad detriment of all other business.

If the president be a Democrat, the press retails the news of his bibliophilism with awe and reverence; after all, newspaper people do not read books, and they find it amazing that anybody else should do so. Of course, if the president be something other than a Democrat, the astonishing news is received as it generally ought to be received: with silence, or with sneers.

So far as I can tell, the only presidents since World War I who have actually been noticeable readers were Truman and Nixon. Most of the other big chiefs claimed to *write* books, but that doesn't count.

Since Clinton was a Rhodes Scholar, I've always assumed that he was one of the non-reading majority. But now I've found out otherwise. In his June 14 speech at the University of California, Clinton lapsed into one of those multi-ethnic moments that have become habitual with him and avowed that his "life has been immeasurably enriched by the power of the Torah, the beauty of the Koran, the piercing wisdom of the religions of East and South Asia."

You're free to object, as I know you will, that religions aren't books, and neither, really, is the Torah; it's one part of a book, the Bible. (I'm not sure that the president made that clear.) Still, there's plenty of reading involved! And the Koran, you must admit, is a real, whole book, and Clinton has obviously been reading it avidly. How else could his life have been immeasurably enriched by its beauty?

So now we know what this great intellectual does with his time. It's not every American statesman who has to be dragged off screaming to staff meetings, fund-raisers, and tours of European capitals because he'd rather keep soaking up the beauties of Islamic literature. Not to mention hiding out in a comfy nook where he can be pierced by religious wisdom. —SC

### **Champagne campaigns on a beer budget**

— The latest Congressional farce is the Senate investigation into campaign financing. No one explains why the proper reaction to the politicians' violations of existing laws is to pass even more laws.

Needless to say, any new laws will make it easier for incumbents to be re-elected. Every member of Congress has an enormous head start over his challengers before a single dollar is spent on a campaign. Congressmen get continuous free publicity in their districts, they get to sponsor bills that would bring pork to their constituents, and they get to mail taxpayer-subsidized advertisements to the voters.

Thus any law that limits campaign financing in any way is more of a handicap to the challenger than to the incumbent, and it provides a boost to the re-election rate. If *all* campaign contributions were prohibited, hardly any

congressman would ever lose an election.

Less obvious is the benefit to special interests that comes from campaign spending limits. When candidates are limited in what they can raise and spend, they must turn to special interests to do their campaigning for them. For example, a labor union will send out "informational" mailings to the public that, while not endorsing any candidate, will list the competing candidates' stands on various issues. Not surprisingly, labor's buddy will be on the side of the angels on every issue — while his opponent will appear to be proposing the return of sweatshops and 60-hour weeks.

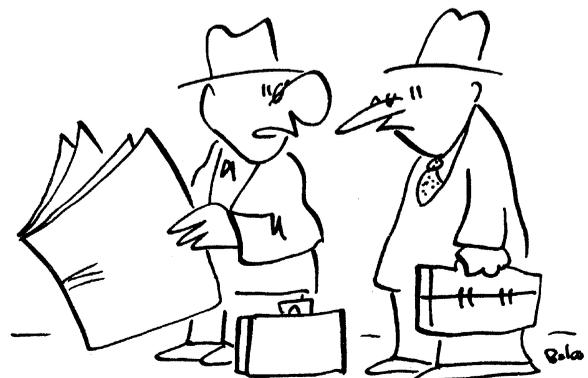
The same tactics are employed by the NEA, religious groups, gun-rights organizations, and other issue-oriented pressure groups. As the campaign spending limits get tighter, the politicians become more dependent upon these groups for re-election.

We should expect that the Senate investigation will lead to new campaign restrictions. And the politicians will point with pride to these restrictions as "leveling the playing field" and reducing the impact of special interests. Politicians love to speak with irony — which is a euphemism for hypocrisy.

—HB

**Forum v. forum** — One of the advantages of living in New York City is that one can participate in two very different anti-statist discussion groups. The "Junto," generated by Victor Neiderhoffer, a sometime contributor to this magazine, descends from Ayn Rand and is patronized predominantly by traders, with a smattering of intellectuals. The Libertarian Book Forum descends from Emma Goldman, mostly under-kempt bohemians. As an anarchist who has voted Libertarian as long as the party has appeared on the ballot here, I attend both groups. But as far as I can tell, only one and one-half other people attend both groups — I say "one-half" because the second guy doesn't show up at either group very often.

The Junto has a conservative element that strikes me as lamentably un-libertarian. The epitome of this to me was a guest speaker who identified himself as a *Reader's Digest* regular. He argued that American jails weren't as full as they should be. Were not so many criminals "let off," he said, there would be and should be twice as many prisoners. Since remarkably few Junto regulars found this guy offensive, I refrained from asking the obvious question: "When the



"The government doesn't need a budget cut — it needs a Heimlich maneuver."

levels of incarceration reach those of Joe Stalin's Russia, do you think America will finally be a success?" Given such an atmosphere, you can understand why one of my Junto colleagues walks out early now and then, muttering under his breath, "This place is full of freaking conservatives."

A recent meeting of the Libertarian Book Forum remembered the 70th anniversary of the deaths of Sacco and Vanzetti. From the audience I remarked that it was an example of the American sort of show trial which, with enthusiastic cooperation from the mainstream press, was designed to scare into quiescence a particular radical element in the population. In this respect, the state execution of Italian anarchists such as Sacco and Vanzetti resembled the prosecution of Julius and Ethel Rosenberg — Jewish Communists who were wannabe spies lacking any real secrets — and the recent conviction of Timothy McVeigh, who had no apparent connection to the "right-wing militias" that the press find so fearsome. If only to be nonpartisan (or consistently anti-state), I purposely took one historic example from the "Left" and another commonly classified as "Right."

Finishing my point, I asked how many in this self-avowed "anarchist" audience thought McVeigh was not guilty? The sole hand to go up was mine. I thought to myself, "This place reeks of freaking liberals." —RK

**Bastiat rules!** — Effective May 1, 1997, Mongolia abolished all import duties, making it the only country in the world with genuinely free trade. What a delightful way to celebrate the international day of worker solidarity, now that it is no longer under the thumb of Soviet Russia! —RWB

**Cigarette papers** — American rights are being lost almost every day. The minimum age for purchasing tobacco has long been set at eighteen. But on February 28, a new regulation went into effect requiring that anyone selling cigarettes or chewing tobacco to a person 26 years of age or younger must verify the buyer's age by inspecting photo identification papers that include date of birth. Thus any young adult who wants to engage in a perfectly legal action (the purchase of tobacco) must now acquire photo ID and be sure to take it with him when he goes to the corner store for a pack of cigarettes. And everyone waiting in line at the market must wait a little bit longer while a clerk checks over the papers of a prospective tobacco purchaser. All this on the basis of the preposterous theory that doing so will somehow reduce smoking among those 17 or younger. —RWB

**New scapegoats for old** — We have grown accustomed, in economically hard times, to the spectacle of governments blaming an outsider for what's wrong. Thus the German government blames an unpopular religious group for its economic problems. This time, however, it's the Scientologists, not the Jews. Members of the sect are barred from the civil service and the nation's major political parties. The "Verfassungsschutz," the German equivalent to the FBI, sees the Church of Scientology as a potential threat to the country's constitution. And in an eerie parallel to the "Germans don't buy from Jews" campaigns of the 1930s, the youth organization of the country's ruling party has tried to initiate a boycott of the movie *Mission Impossible*, starring

Scientologist Tom Cruise.

Why is the government whipping up this hysteria? It claims to be concerned by harassment of ex-members by the church. And it worries that the church has invested in some important corporations that it is allegedly seeking to control. Both charges, however, are obvious rationalizations, since harassment of ex-members can be prosecuted under the criminal code, and the church's investment strategy is identical to that of every large and prudent investor.

The real reasons for Germany's policy stem at least in part from the country's religious make-up. Germany has two state religions, Roman Catholicism and Lutheranism. The government supports them with tax money and allows church teachers to work in the public schools. Both churches have been losing members rapidly during the last years, some of them to fringe sects. The German government is led by the Christian Democrat party, which has close connections to the Catholic church. Harassing and arresting members of a rapidly growing sect, they hope, might stop more members from fleeing from the state churches — and help ensure further church support for the Christian Democrats.

Underlying the whole sorry situation is the country's disastrous economic situation. With an unemployment rate of 11.2% in April, and anemic growth for years, there is nothing left of Germany's once admired "economic miracle." It therefore comes as no surprise that the leading anti-Scientology demagogue is Norbert Blüm, the Secretary for Labor and Welfare. Lacking courage to attack the causes of Germany's economic depression — regulations, high social security taxes, and strong unions — he leads a crusade against a scapegoat. In a desperate attempt to maintain support, he uses the rhetoric of 60 years ago, speaking of the tiny Scientology sect as if it were a secret power able to undermine German life.

Maybe Marx was right. History *does* repeat itself — the first time as tragedy, the second time as a farce. —OB

**Simpler than you think** — Reading Jane Shaw's review of Michael Behe's *Darwin's Black Box* ("Darwin Defied," July 1997) got me to thinking about evolution.

Critics of evolution sometimes argue that an organ as complex as an eye could not have evolved — because, so they say, an eye is worthless until it reaches a state of complex organization. But you don't need very much to have a primitive "eye." All that's required to get things going is a single molecule that is sensitive to light, and many such molecules exist — chlorophyll, for example. Simple "eyes" of this kind are found in some one-celled organisms.

Behe offers the cascade of biochemical events involved in blood clotting as an example of something so complex that it couldn't have evolved a bit at a time. But the cascade itself is no evidence for intelligent design. In fact, it is what a computer programmer would call a "kluge," a mess of fixes piled on fixes because no clear design was conceived at the beginning. Far from providing evidence for "intelligent design," such a tortuous and jury-rigged process is a classic outcome of step-by-step adaptation over a long period.

Furthermore, the survival advantages offered by clotting molecules needn't involve something as complex as a human blood clotting cascade. Like light-responding cells, "sticky" molecules are involved in many simple processes that could

plausibly build, through millions of years of evolution, to the intricate cascade of Behe's description. Cell surface adhesion molecules, for example, allow bacteria to anchor themselves to cells and tissues.

The actual paths of evolution and the ways that changes led to different kinds of organisms are incredibly complex; studies of the fossil record and of molecular differences between species' DNA and proteins have revealed as yet only a small portion of the details. But the organisms that exist today are here at the end of a long chain of predecessor organisms stretching back over three billion years. The environment "chooses" between the large storehouse of life's genetic variations by eliminating the less well adapted. What is left (selected) keeps on going. Given a long enough period of time an awful lot can change. It's a simple formula, but irresistible. —SS

**The reign of error** — Ignorance of the law may not be a valid excuse for you or me, but ignorance of a subject has never stopped congressmen from passing laws. They will legislate on any topic in the universe.

They usually don't read the bills they vote for or know what's in them. They even use that as an excuse when the new laws produce bad consequences. Today congressmen tell us "I didn't know this would happen" when the Americans for Disabilities Act makes it impossible for employers to fire drug addicts, or the 1994 crime bill turns out to be more pork barrel than crime prevention.

They won't speak the truth about what they're doing. They talk of "budget cuts" that aren't really cuts at all, but merely slowdowns in the speed at which they wish government programs would grow. The recent budget deal they're so proud of — you know, the one with the "tough budget cuts" — actually produces a government that's four percent larger than last year's budget.

Most of the laws they pass are so poorly drafted they have to be amended, repealed, or replaced with newer laws when it becomes apparent how much damage they do. The Catastrophic Medical Insurance Act of 1988 was so misconceived that it had to be repealed six months after its passage. And it was senior citizens, the supposed beneficiaries of the act, who complained the loudest — because of all the new burdens the law placed upon them.

Given these reasons — and many others — it's no wonder that polls now show politicians to be less respected than hookers. So why in the world should we make them guardians of our safety and well-being? —HB

**More powerful than a locomotive?** — Pity the beleaguered Safety Crusader! Since his earliest days toiling thanklessly as a chap-lipped crossing guard, he's accrued plenty of evidence of our bungling incompetence. Undeterred by our failure to heed his advice, he persists in his crusade, doomed to a lifetime of frustration.

While some cynics don't appreciate the Crusader's heroic efforts, I think he deserves our full support. After all, when matching wits with my temperamental toaster oven, I've occasionally been in need of my own personal safety chaperone. And besides, rather than ridiculing my clumsy ways, the considerate Safety Crusader often shifts the blame for my bumbling to some other scapegoat, thereby sparing my

fragile ego.

I was reminded of this graciousness the other day when I read about the launch of the "Highways or Dieways" campaign, a national advertising blitzkrieg intended, in the words of Transportation Secretary Rodney Slater, to "scare people" and serve "as a wake-up call for all Americans to the dangers at these [highway/rail] intersections and on railroad rights-of-way." To the chagrin of the secretary, we've apparently had the phone off the hook for some time: it turns out that Operation Lifesaver (OL), Highways or Dieways sponsor, has been publicizing this critical message through talks, brochures, and videos since 1972. But rather than suggest that our careless ways might be to blame for continued accidents at crossings, the good people at OL have furnished us with an excuse: we just don't know any better. As OL President Gerri Hall said, "the public does not see trains as especially dangerous or life threatening."

I shudder at the thought of my fellow citizens wandering mindlessly into the paths of onrushing locomotives, blithely ignorant of the threat to life and limb. If we fail to educate those ignorant of the basic laws of physics, will we soon see shuffleboard courts cropping up on our interstates, and macramé classes congregating on our airstrips? Clearly, OL barely scratches the surface of the programs needed to avert such messy scenarios.

Fortunately, OL has been on the job since 1972, and proudly claims to have saved over 10,000 lives in that time. Between 1972 and 1982, fatalities at crossings were slashed in half to 607, and have stabilized since that time. Sure, some cranks will moan that the modest 2.8 billion tax dollars invested over that time in physical safety improvements had something to do with the reduction. Or they'll complain about railroads improving their public relations and safety records at taxpayer expense. And they'll undoubtedly whine that OL hasn't kept trespassing-related fatalities from climbing to all-time highs in the 1990s. But, thanks to OL, a lot more people know how dangerous trains can be than they did in 1972, and the number of lives saved just keeps adding up.

Thankfully, OL isn't content to rest on the laurels of the success they've enjoyed, and they continue to refine their approach by researching the causes of accidents. For instance, one breakthrough project in 1995 revealed that the most common factors contributing to collisions at crossings are "driver inattention" (they didn't look both ways) and "flawed risk perception" (they thought they could make it).

Perhaps now the Safety Crusaders at OL can peel off their kid gloves and take us to task for our careless ways. In fact, a



"Sorry, but we're only allowing thirty billion dollars worth of medical deductions this year, and the guy ahead of you just used the last of them up."

declaration of War on Carelessness is long overdue — and I, for one, am eager to do my part. We could whip that pesky accident-scurge once and for all with truckloads of “Daydream and Die!” bumper stickers, and Fran Drescher-screached PSA’s to “scare” zoned-out drivers and admonish them to *pay attention!*

On second thought, maybe I’ll just have some toast.

—SGS

**The fallacy of the excluded middle** — The other day I heard two television news commentators discussing Chelsea Clinton’s desire to go to Stanford, rather than a school closer to her parents. “I think it was a very wise choice,” one said, explaining that he thought it was a good idea for students from the east coast to attend universities on the west coast and vice versa. The other sagely agreed, adding that the broadening effect of living in such a disparate culture was bound to be beneficial.

How nuts can you get? By “west coast,” of course, they mean metropolitan Los Angeles and San Francisco, and by “east coast” they mean the Boston-New York-Philadelphia-Washington megalopolis; i.e., the two centers of the American elite. The broadening effect of an easterner going west for college, or vice versa, is about the same as a Yale student taking a year at Harvard.

America is a huge country with almost innumerable cultural and social variations. If a New York kid really wants to broaden himself, he should go to college in Wyoming. If an L.A. kid wants to broaden himself, he should go to Mississippi or Kentucky. In the first half of this century, the nation’s elite traveled by train from New York to Los Angeles, and the three days spent between those two cities might just as well have been spent in suspended animation so far as most were concerned. The invention of jet travel only made it cheaper and more convenient to skip from one center of the American elite to another while treating most of America as if it did not even exist.

C’mon, guys. If you want to keep your kids inside the confines of the elite of wealth and power, that’s fine. But don’t claim you’re broadening them.

—RWB

**A full measure of whitewash** — When Dorothy Rabinowitz reviewed movies for the *Wall Street Journal*, her neo-con Hollywood-bashing was welcome if not particularly original. Now she has, for some reason, been added to the editorial staff. In that capacity, she contributed a column (“A Full Measure of FDR and His Enemies,” May 5) that had no place in a paper that takes pride in its constitutional and free market principles, as well as in a certain degree of editorial sophistication.

Rabinowitz’s simplistic thesis amounts to this: Roosevelt gave hope to the American people during the Depression, and he fought against Hitler. Criticism of FDR and his policies, she claims, is possible only from enemies “maddened by hatred of him” — chutzpah on a grand scale in a writer whose childish ruminations would have disgraced the pages of *Parade* magazine. One wonders: Can the *Journal*’s editors really believe that New Deal policies are invulnerable to rational criticism? What is the opinion of free market economists like Milton Friedman and Robert Higgs on this issue? Why publish Dorothy Rabinowitz’s views and not theirs?

On Roosevelt’s other great alleged achievement, his leadership on the world scene before and during the Second World War, don’t the editors of the *Journal* think that the well-founded thesis of the late Robert Nisbet should be considered — that FDR’s infatuation with Josef Stalin as a fellow progressive and future partner in shaping the new world order produced disastrous consequences? If Roosevelt’s leadership was as brilliantly successful as Rabinowitz claims, what prompted Winston Churchill to write, in 1945: “we still have not found Peace or Security, and . . . we lie in the grip of even worse perils than those we have surmounted”? How much would you bet that Rabinowitz isn’t even aware that Churchill wrote that?

Finally, is there any doubt that FDR, more than any other president, created the modern Leviathan state in America? But then why isn’t that a problem, if not for a neo-con like Rabinowitz, then at least for the editors of the *Wall Street Journal*? To anyone concerned with American liberties, the judgement of the head of the Cato Institute, that Roosevelt was “a lousy president,” which Rabinowitz ignorantly mocks, is more than justified.

—RR

**Father forgive them, for they know not what they say** — Every collectivist movement

conducts a war against language. It has to do so. Language capable of making distinctions, transmitting facts, embodying beauty, expressing taste — performing, in short, the traditional functions of language — works directly against the collectivist spirit. It gives individuals something challenging to think about.

If you want to turn individuals into one great collective whole, you must first turn their language into mush. Right now, the greatest musher of language in America is the movement known as “identity politics.” Identity politics attempts to assert the (alleged) collective identities of oppressed people — women, blacks, homosexuals, disabled Gulf War veterans, cigarette smokers (no, just kidding about that) — and to assert them at all times and in all places, claiming for them the attention formerly lavished on such unimportant things as moderation, common sense, and respect for other people’s rights and customs.

Since the purpose of such movements is to have their way with everything, they begin at the beginning, which, according to the Bible, was the Word. And the Bible itself has not been spared.

Reports from this front of the language war are received by my office daily. A woman withdraws her children from Sunday school because she accidentally discovers that they are being instructed to pray to “our Mother who art in heaven.” A gay man decides to leave his church because he cannot stand to listen while every “sexist” word in scripture (“mankind,” “father,” “son,” “Lord,” “kingdom”) is squished into something “inoffensive” — inoffensive, that is, to people whose career is making *themselves* offensive:

Thy dominion come, thy will be done. [Which dominion — Canada?]

The Creator judgeth no one, but hath committed all judgment unto the Child. [Wasn’t that sort of a risky thing for Her to do?]

And her name shall be called Wonderful, Counsellor, the

Mighty God, the Everlasting Mother . . . [What happens next: "the Princess of Peace"?)

But why should people object to changes like these? Why should their hearts be troubled? *They* don't picture God as a male, any more than they picture the *kingdom* of God as something even faintly like Sweden. Their own language is neither "sexist" nor "exclusionary." "He or she" is always on their lips. So why should they be irritated by people who want to make the Bible seem as "inclusionary" as they already believe it is? Well, what they resent is the imposition of language whose only purpose is to advertise a political cause — language imposed by people who have as little sense of the metaphorical functions of words as those nineteenth-century puritans who insisted on talking about piano *limbs* instead of piano *legs*. Then, of course, there's the little matter of what the Bible actually *says*. The Bible does not call Jesus "the Child of Humanity." Maybe Shirley MacLaine does.

But relief is on the way. According to a recent story from the Associated Press, a major scripture-making factory has just gone bust. The International Bible society has cancelled its planned revision of the New International Version (NIV) of the Bible, a seven-year effort that was supposed to end in 1999. The reason: a flood of protests against plans to substitute such expressions as "people" and "human beings" for the biblical words conventionally translated as "men."

Again, what could be so bad about a little change like that? After all, "*anthropoi*" does mean "people." Yes, but it also means "men" — "men" as the word is understood everywhere in the English-speaking world except the executive suites of gender-pressure groups, "men" as the word is understood by every English speaker who encounters Jesus' invitation to the humble fisherfolk: "Follow me, and I will make you fishers of men."

No one, not even the most moronic disciple of a political cause, has ever read those words as an invitation to become fishers of *males*. That's the sort of non-misunderstanding that the Bible Society's translators apparently set themselves to correct.

According to a spokesman for the Bible society, they were "trying to bring about greater clarity." What they would have achieved is the "clarity" one finds in the New Revised Standard Version, a translation that, regrettably, did get finished: "Follow me, and I will make you fish for people."

If Jesus had used language like that, very few *people* would have left their nets and followed him.

No? You can't see that? Then you shouldn't be translating the Bible.

Somebody once told Isabel Paterson that a really "useful" Bible translation would be a version "in our own language." She replied that he was "quite mistaken." Referring to the venerable (and still, by the way, very *useful*) King James version, she observed that

the Bible was not translated into the language of King James or the average man; it was translated into the language of poets, scholars and thinkers. It cannot be truly "translated" in any other terms.

That's the literary lesson. Now to the economic and political lesson. The NIV episode is a parable of how things happen in America — and can happen.

It begins with a commercial success. The NIV is America's favorite modern translation of the Bible. It is especially favored by conservative and evangelical Christians, who like it for its historical accuracy, its simplicity, and (very likely) its blandness. The NIV is, the best and worst senses of the term, a *reliable* translation. It must make an awful lot of money.

And so, it seems, the NIV's sponsors got the idea of using some of the money that rolls in from conservative readers to engineer the kind of reforms most favored by people on the anti-conservative side of the aisle. They probably thought this would put them right with the cultural in-group. (This is the way people tend to think, if you can call it thinking, in America's conservative institutions.) They launched an elaborate new translation, although they must have known that the results would be grossly offensive to their most faithful customers. If they knew this, they presumably expected the customers to stay with them anyway. Those customers are conservatives, after all. They're used to getting used to things.

But that turned out to be wrong. The International Bible Society found out that there are some goods that consumers will not consume. And when that happened, the cultural picture began to change. It changed a lot. It changed because individuals made it known that they would no longer buy a product they did not like.

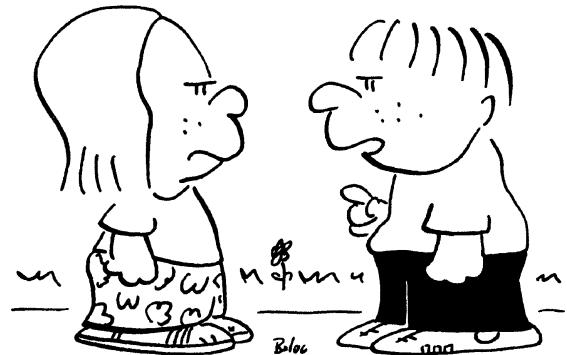
That's the end of the parable. Go thou and do likewise.

—SC

**PRI, RIP?** — All the time that America was battling anti-democratic nations across the globe, our second-largest trading partner was a one-party state just across the Rio Grande. That changed July 8, when what could be Mexico's first honest election in living memory broke the Institutional Revolutionary Party's (PRI) 68-year monopoly on governorships and control of the congress.

The conservative National Action Party (PAN) was the primary beneficiary of the shakeup, winning about a quarter of the seats in the lower house of Congress and one governorship. The leftist Democratic Revolutionary Party seized the mayorship of Mexico City (paging Mayor Marion Barry, please come to the sister city ceremony!) and one impoverished southern state's governorship. The voting blocs in the lower house are now more or less equal, when the minor leftist parties are counted.

This should be an epochal event, the gracious ceding of



"Okay, two falls out of three, and no fair using perfume."

power by a party which was, simply, the government itself for three generations. But the impact seems to have been slight outside Mexico's borders; the American media gave much more play to the less momentous British election, for example.

When I think about this optimistically, I believe that maybe the election is a people's demand for a government subordinated to them, instead of a government that subordinates them, for the first time in their lives. Or maybe this is more evidence that free trade democratizes unfree nations. But maybe the Mexicans have simply traded the staid and stolid one-party state for the spectacle of acrimonious gridlock. —BB

**Asia Minor's major coup** — On June 19, the fundamentalist Muslim Prime Minister of Turkey, Necmettin Erbakan, resigned after 11 months in power, under pressure of the country's generals. For some in the western press, this was a defeat for democracy. "Turkey bends to the generals," lamented the *Economist*; the *Wall Street Journal* whined about "The Army's Fundamentalism." As these and other journalists see things, the army had bullied a democratically elected government for months, and at the end acted against the will of the people.

The reaction of these journalists demonstrates three things:

- 1) They understand nothing about Turkey;
- 2) They are ignorant about democracy;
- 3) They do not care whether freedom is destroyed, so long as it is destroyed by a democratic government.

Although Erbakan has been moving slowly in order to minimize opposition, no Turkish person with whom I've spoken has any doubts that in the long run he intends to erect a fundamentalist Muslim state. His first move was to promote Islamic schools and to open the military academies to fundamentalist Muslims. These two changes were intended to undermine his strongest opponents: the Turkish military and the educated strata of society.

No Islamist party has ever received the majority of votes. In the last election in 1995, Erbakan's fundamentalist Welfare party, which received 21% of the vote, was merely one of several ineffective minority parties. Two conservative parties formed the coalition government, in which former prime minister Tansu Ciller's True Path Party was the junior partner.

Ciller had promised that she would never form a coalition with the fundamentalists. But when her coalition partner revealed evidence of Ciller's corruption and made noises about prosecuting her, she responded by joining forces with Welfare in exchange for its promise not to indict her. The government that they subsequently formed, and that the military has now deposed, was the product of an agreement between people who steal money for private purposes and people who steal it for religious purposes, with absolutely no popular mandate to do either.

Its demise can scarcely be considered a tragedy. Erbakan's party was trying to destroy freedom and eradicate the separation of church and state in Turkey. It had pushed relentlessly for the authority to compel women to wear veils, to use public funds to erect giant mosques, and to suppress "sinful" businesses (e.g., those that sell

**Slouching towards secession** — Canada's federal election on June 2 may have been its last. Another referendum on Quebec secession is expected before the term of the new Parliament ends, and this time it looks like the secessionists will win. This fact might seem make the 1997 election important. But the truth is, this has probably been one of the least important elections in Canadian history.

The 1988 federal election gave Brian Mulroney's Progressive Conservative (PC) Party a mandate to pursue the Free Trade Agreement with the United States, and subsequently to negotiate NAFTA. The 1993 election saw the Conservatives reduced to two seats in the 295-seat House of Commons and the emergence of the Reform Party and the Bloc Québécois (BQ).

By contrast, this election saw no significant issues resolved and no significant shift in the party standings.

The largest issue facing the new Parliament is the complete overhaul of Canada's pension system, which will be financed by the largest tax increase in Canadian history. Also, plans had been announced prior to the election to effectively destroy Canada's popular and highly successful system of tax-sheltered, independently invested Registered Retirement Savings Plans (RRSP's) by taxing back government pensions at punishingly high marginal rates for every dollar of RRSP income. Remarkably, neither of these issues was discussed much during the campaign.

Former Quebec premier Jacques Parizeau forced the issue of national unity to center stage by stating in mid-campaign that if his government had won the 1995 referendum on secession, he would have (illegally) declared Quebec independent within a few weeks. Prior to Parizeau's dramatic declaration, Canada's three traditional parties (Liberal, PC, and the New Democratic Party, or NDP) had avoided this issue at all costs, apparently in the belief that once it had been raised, Quebecois would choose to vote for the party most likely to be loyal to Quebec's interests (the BQ), while non-Quebecois would switch their votes to the party least likely to pander to Quebec (Reform).

In fact, something like this did happen. Early in the campaign, experts had predicted that Reform would lose as many as half of its 50 seats. Instead, it won ten additional seats. During the first two weeks of the campaign, when unity was not an issue, the Bloc Québécois had fallen to third place in Quebec; by the end of the election, it had moved into first place, and captured more than half the seats in the Province.

Even after it was clear that a debate on unity could not be, the Liberals and Conservatives took no positions of substance on the unity issue, apparently because they feared that doing so would alienate voters in Quebec (if their position sympathized with secession) or everywhere else (if they didn't). Prime Minister Jean Chrétien merely repeated his long-standing contention that a super-majority is needed in order for secession to occur, while refusing to specify how large a super-majority would have to be. Conservative leader Jean Charest was no better, referring to secession as a "black hole" and declaring that once in this black hole, Canadians would find themselves without laws, rules, or precedents to guide them. The refusal of these leaders to engage in a serious debate of the critical issue of how to

deal with a secession attempt ensured that the election of 1997 would cast no light into this particular policy black hole, or any other.

Under the best of circumstances, it would be a trial to draw out very much wisdom on future political trends from the entrails left by election '97. But these are not the best of circumstances for this sort of prognostication. The breakup of the country would cause the party system to be dragged through the partisan equivalent of an old-fashioned clothes wringer, rendering the current seat totals and vote distributions irrelevant in the next election. Canadian politics may soon become very interesting, but not because of anything that took place during the 1997 election campaign. —SJR

**Canada agonistes** — On June 2, Canadians and Quebecois participated in what may be the last federal election of Canada as we know it.

All five major parties claimed they won: the Liberals, by getting reelected with a very thin majority of four seats; the Reformers, by becoming her Majesty's Official Opposition; the Quebecois secessionists (Bloc Quebecois) by winning 60% of the seats in Quebec; the socialists (the New Democratic Party or NDP), by winning 21 seats, up from only nine in 1993; and the Progressive Conservatives, by coming back from their disastrously low two seats in 1993 to 20 in 1997.

The only losers were the taxpayers and those citizens who value individual responsibility. The latter certainly constitute a small minority, and with the Canadian deficit perennially out of control, few seem to care that all parties continue promising to spend more and/or to cut taxes.

But Canada's fiscal crisis was not an issue in the election. No, the election turned on "National Unity" — even though at the beginning, not a single party planned to campaign on that issue. After saying for years that they were fed up with "family feuds," the Reform Party brought up the constitutional issue as a means of distinguishing itself from the older parties. Even more unbelievable, the three traditional parties (Liberals, Conservatives, and NDP) had nothing more to put on the table than the bromide that they would recognize Quebec as a "distinct society." No matter that the failure of the Meech Lake Accord demonstrates that Canadians reject the distinct society compromise; and no matter that Canadians as well as Quebecois voted against it by rejecting the Charlottetown Agreement in 1992. Originality, new ideas, and learning of the past

don't seem to be part of Canadian politicians' reality.

The only thing new in the Canadian constitutional debate is the tough line openly adopted by the federal government to fight secession. "The soft approach doesn't work anymore. Let's try to scare them now," they seem to say. The feds now say a simple majority in favor of secession is not enough, but they refuse to specify how big a supermajority would be "reasonable." They want another referendum — this time with all Canadians, not just Quebecois, having their say. They want their Supreme Court judges both to define the rules of secession and to decide whether Quebecois secession is constitutional. The four federalist parties agree to this incoherent Plan B, as we call it. If the carrot is no good anymore, let's try the stick.

The new fashion in Canadian politics is that you vote according to where you live. Each region has its own party devoted to defending its regional interests; and it is regionalism, not ideology, that divides Canadians. The western provinces, particularly British Columbia and Alberta, voted massively, for the second time, for the Reform Party. Ontario stayed faithful to the Liberals (98 members of parliament out of 99 in 1993, and 101 out of 103 in 1997). The Francophones in Quebec again voted strongly for the Bloc Quebecois. Only the Maritime provinces were divided among the NDP, the Liberals, and the Tories. The governing party got 65% of its victories from a single province. The Loyal Opposition has no elected members in the six provinces east of Manitoba, and the third party is of course only in Quebec.

## Election Results

Party	1993	1997
Liberal	177	155
Reform	52	60
Bloc Québécois	54	44
NDP	9	21
PC	2	20
Independent	1	1

What can we expect from such a Parliament? Nothing good for liberty.

The Tories will continue having a wishy-washy position on every issue — except on those where it has two wishy-washy positions, depending on whether it's presented in French or in English, in the Maritimes, or in the West. The NDP is going to keep pushing its socialist agenda, and could be very successful. The Bloc Quebecois will keep asking for more money from the feds to give back to the provinces. The Reformers will try to show that they are not as radical and extremist as opponents pretend — and that they too can manage a socialist country. And, of course, the Liberals will continue to be generous with our money, trying to outspend the provinces in areas where provinces have constitutional responsibilities — education, health care, and welfare — after reducing the federal deficit by cutting their transfer payments to the provinces.

The only good news from the election is that the end of this federal circus is near. The up-coming referendum on Quebecois secession may bring down the current system once and for all.

—*guest reflection by Eric Duhaime*

alcohol). The Turkish people have resisted this nascent religious tyranny: in Istanbul, for example, citizens have staged many protests against erection of an oversized tax-funded mosque.

The majority of Turks have demonstrated that they do not want a fundamentalist government; they prefer that the military preserve the secular state rather than allow a corrupt parliamentary government to flush freedom of speech and religion down the toilet. Who are we to say that they should have an illiberal government imposed on them for legalistic reasons? We should remind ourselves that democracy can never be more than a means to achieving greater freedom. Where it fails to achieve this end, it is right to do away with it.

Given the amply demonstrated ignorance of western journalists and politicians, perhaps they should stop lecturing other people on how to govern themselves. Turkey, after all, has been a relatively free nation for 75 years now. This is more than most western countries can say. —OB

**Crabgrass rebellion** — Around Portland, Oregon, neighborhood after neighborhood is turning against regional land-use planning and the "New Urbanism" (the planning fad that calls for increasing urban population densities and building rail transit instead of roads).

- In Laurelhurst, an historic southeast Portland neighborhood, people were outraged when they were told that, since the neighborhood is within half a mile of a light rail station, many of its fine old homes will be rezoned so that they can be torn down and replaced with row houses.
- Residents of Top 'o Scott, a young neighborhood in Clackamas County, were appalled to find that a popular golf course that had supposedly been zoned open space "in perpetuity" is now slated by planners for development into 1,100 homes and 250,000 square feet of office space.
- In Multnomah, in southwest Portland, people have put up hundreds of lawn signs protesting plans to rezone much of their area for high-density housing.

Local city officials have been squabbling so much over the population targets that are driving these new zoning schemes that they hired a facilitator to settle disputes — only to see the "facilitated" meetings break up with more acrimony than ever before. And when a state agency recently took testimony on its mandate that Oregon cities force residents to reduce their per capita driving by 20 percent, they found that people have continued to increase their driving, as they have almost every year for more than 80 years. The

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## Strategy Debate

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**The 22% solution** — In 1994 the Gallup Poll surveyed Americans regarding their political views. The pollster asked questions on a series of issues — each designed to find out whether the individual wanted more government or less government on each issue. Gallup then sorted the respondents into four groups — based on their attitudes toward government control over the economy and government control over our social lives.

Gallup labeled the largest group (30%) "conservative" — people who want the government to have less control over the economy but more control over our social lives. The smallest group (16%) was "liberal" — those who want more government control of the economy but less of our social lives. The third largest group (20%) was considered "populist" — those who want more government control in both areas. But what was the second largest group? Gallup labeled it "libertarian" (22%) — people who want less government control in any area.

To me, these results are monumental. They indicate an enormous number of people who are receptive to libertarian ideas. But the results aren't unique. Also in 1994, Luntz Research found that 73% believe "the federal government is much too large and has too much power"; Roper found that 67% believe "big government is the biggest threat to the country in the future"; the Times Mirror Center found that 63% think "government regulation of business usually does more harm than good"; and the New York Times found that only 22% "trust the government in Washington to do what is right most of the time."

If this is what the American people think, why does government continue to get bigger and bigger? Why was Bill Clinton reelected? Because there is no clear-cut political out-

let through which American voters can channel their anti-government feelings. The Republican Party is merely a "moderate" clone of the Democrats, and few people have even heard of the Libertarian Party — let alone know what it stands for.

Libertarians have endless numbers of ideas for ways to change this and make a breakthrough — find a celebrity to run for President, channel all resources into a single Congressional race, create some publicity stunt, alter the message, and so on. But in the final analysis there is only one thing that will put the LP on the political map — a much bigger membership. The party today has 22,000 members. When it reaches 200,000, it will have the fundraising base that can support a \$50 million presidential campaign; it will have the troops who can carry the message door-to-door if necessary; and it will have the resources to run advertising that will let everyone know there's a candidate, a party, and a program that will get rid of the income tax, free them from the Social Security hoax, and restore safety to their neighborhood by ending the insane War on Drugs.

With a large membership, neither the media nor the public will be able to ignore the LP. Fortunately, the LP is now focused on membership growth, budgeting \$500,000 for recruitment in 1997. LP activists are increasingly coming to understand that none of their golden dreams will be realized until increased membership makes the party politically competitive.

But where can the new members come from? Obviously, from the 22% of the American people who want to see less government in both our economic lives and our social lives. —HB

agency responded, naturally enough, by making the mandate even more stringent.

Even as Portland's New Urban scheme falls apart, cities in other parts of the country are starting to emulate it. The Maryland legislature recently adopted a law enforcing "smart growth" — a euphemism for the New Urbanism. Minnesota passed a similar law that initially applies only to the Twin Cities region, but eventually will cover the entire state.

Even where cities aren't using draconian zoning laws to increase population densities, they are often imposing so-called "traffic calming" measures on major streets and highways. Such measures include curbs, "bump outs," and other concrete obstacles designed to slow and limit the flow of traffic. The ultimate goal is to increase congestion. Greater congestion, planners reason, will make people want to live in higher densities so that they can get to where they are going in a reasonable amount of time.

Where are these crazy ideas coming from? Originally thought up by architects (who think that because they can draw a house, we should let them design our cities), they are promoted by the planning profession (and what city does not have a planning staff?). Support comes from several sources: anti-auto environmentalists; central city officials who think of the suburbs as parasites and "trash"; downtown interests who think that all roads and light-rail lines

should lead to their areas; and the construction industry, as happy to build multi-billion dollar rail projects as multi-billion dollar highway projects.

The architects draw pretty pictures, the planners provide purple prose, the environmentalists add fear of pollution and famine (when all farms are supposedly paved over), and the construction industry (along with numerous progressive foundations) throws in money. All of which plays into the hands of the central city officials who want to extend their power over and tax the citizens of the suburbs — who in most urban areas outnumber the central city residents. —ROT

**Democratic follies** — The chorus of self-congratulatory rhetoric that greeted the recent Mexican elections aptly expresses one of the more fatuous beliefs of our age: that "democracy" is inherently a promoter of prosperity, freedom, and indeed all human virtues.

Yet consider what a little democracy has now brought our neighbors: a Mexico City ruled by Cuauhtemoc Cardenas, who a few years ago split from the country's ruling thugs (in the hilariously named Institutional Revolutionary Party, or PRI) — because they weren't quite left-wing enough for him. True, Mexican "privatization" may well be best characterized in Chomskyan terms, as "socialism for the rich, 'free markets' for everyone else"; and

**Adding up the numbers** — When Gallup released a poll characterizing 22% of Americans as "libertarian," the Libertarian Party followed with an enthusiastic press release trumpeting this news, along with its usual prediction of a rosy future for the Libertarian Party. Now, after three more years of disappointing election returns, Harry Browne sees in this datum evidence that if a new strategy — massive recruitment of new members — is pursued, the LP will at last succeed: "neither the public nor the media will be able to ignore the LP."

Leaving aside the whole question of whether the sort of growth Harry envisions is possible, I have to wonder why the LP or Harry would try to make hay of such news in the first place.

If 22% of Americans are in some meaningful sense "libertarian," why hasn't the LP's quarter-century campaign to become a viable political party already shown some signs of success? If almost a quarter of Americans are libertarian, why is it that an extraordinarily articulate LP presidential candidate backed by the "fastest growing party in America" cannot get more than one half of one percent of the vote? Especially in an election in which it was evident that the incumbent would be re-elected by a landslide? Doesn't this suggest that the LP is doing an absolutely terrible job of marketing its program?

If a survey showed that 22% of Americans preferred Pepsi Cola to other soft drinks, but only one half of one percent of Americans actually drank Pepsi, one would rightly conclude that Pepsi was doing a terrible job of marketing.

Of course, the explanation is that the word "libertarian" as used by Gallup and by those in the Libertarian Party means two very different things. To Gallup, "libertarian"

means a general inclination to favor less government interference in the economy and in social life, or at least to oppose greater government interference in those activities. The Libertarian Party is the "Party of Principle," and its principle is that it is always wrong to use "the initiation of force as a means of achieving political or social gains." This principle leads pretty quickly to something very different from a tendency to oppose increasing government's power and support some reductions in its power. It leads to a program of eliminating just about *everything* that government does. (If you doubt this, see the LP Platform.)

This is a view that is abhorrent to the overwhelming majority of Americans — including, I believe, the overwhelming majority of those whom Gallup identifies as "libertarians."

Sure, 22% of Americans probably want lower taxes and less regulation in the economy and wish the government would lighten up on the War on Drugs or allow more freedom of speech. But that doesn't make them libertarians. And I don't think very many in this 22% are fodder for the LP's radical political program, let alone its political theory.

I said earlier that I'd leave aside the question of whether Harry's theory that, having increased its membership from around 10,000 in 1995 to around 22,000 at the time of the last election, the LP can increase its membership to 200,000 in time for the beginning of the next presidential campaign. But I can't let this go without at least a brief comment. Historically, LP membership has tended to rise during presidential election campaigns and to fall between them. The notion that the rate of growth would accelerate from its election-driven level of 48% per year during the campaign to the 108% annual rate required to meet Harry's goal simply defies rationality. —RWB

*to be continued . . .*

Cardenas' objections to Salinas' selling off the people's assets to his cronies were perhaps not entirely ill founded. But Cardenas and his Democratic Revolutionary Party (PRD) ultimately represent the worst kind of stupid Latin American leftism — simultaneously embracing crackpot protectionism, a monetary policy based on the notion that declines in the exchange rate constitute a challenge to one's macho, and smarmy adoration of puritanical demagogues like Fidel Castro.

Is the right wing National Action Party (PAN) any better than PRD? Not likely. PAN's honesty may be judged by the fact that earlier this year its members walked out of a multi-party conclave discussing proposed reforms (initiated by PRI) that would have limited the ability of the ruling party to control Mexico's fantastically elaborate spoils system, over whose faint scent PAN members were already beginning to drool.

"Democracy" has been in place in quite a few Latin American countries for decades, off and on. Although it's true that it has sometimes lessened the brutality of the state, democracy has also been known to rain down total economic destruction, with heroes of the common man like Juan Peron and Alan Garcia inflating the currency, making life unbearable for entrepreneurs, and generally putting the squeeze on capital — which responded by squirting out of their fingers like wet watermelon seeds, further impoverishing the peons. Moreover, though it's true that the PRI has badly governed Mexico for generations, it's far from obvious that the vaunted "free elections" we've heard so much about will bring any improvements, in the short or long run. Contrary to the ejaculations of our historically challenged press, free elections are scarcely unprecedented; and it's hard to say whether the dictator Diaz was better or worse than his more-or-less democratically elected predecessors.

Finally, it's not altogether obvious that Mexico is a less free country than its arrogant neighbor to the north. Mexico, after all, has never been known to send its sons to die on the beaches of Italy, Korea, or Vietnam; Mexicans are free to purchase whatever medical treatment they wish, and whatever pharmaceuticals they wish without a permission slip from a doctor; prosecutions of private sexual behavior are unheard of. And though Mexico has lately instigated a desultory war on drugs (largely at the goading of Uncle Sam), it is almost certainly better to be busted for drugs south of the border than in the fanatical United States (at least if you have money). There, you can usually buy your way out. Here, you are likely to end up spending years in prison — where, cruelly, you are not even allowed to vote. —NC

**Out like Flinn** — A young woman falls in love with a married man. Her employer disapproves of adulterous relationships among his employees, and questions her about it. She denies all, at the urging of her lover, who has promised to do the same. But he confesses. Confronted with this information, she admits that she has lied. Her employer forces her to resign. It sounds a little bit 19th century, but it's really a humdrum story, unless you happen to think that employers ought not be able to discriminate against adulterers. Or the employer happens to be the U.S. military.

Of course, what I'm writing about is the discharge from the Air Force of Kelly Flinn, the first woman in American history to qualify to fly B-52s. Oh, there was some hairsplitting

about the reason for firing her: her real offense was "making a false statement." But why was she asked whether she was having an affair with a married civilian? Whatever happened to "don't ask, don't tell"? Couldn't the military authorities understand how an inexperienced young woman might fall in love with a married man? Couldn't they sympathize with a young woman who was aware that confessing to adultery might jeopardize her career and, urged by her lover who has promised her that he'll deny it, might give in to the temptation to lie? Is punishing this mistake worth the \$1,000,000 it cost to train this young woman? Worth writing off the career of so promising a flyer, whose career, the Air Force publicly predicted, "may one day include becoming squadron commander and a shuttle astronaut"? The Air Force's answer to these questions is "yes."

Of course, that \$1,000,000 won't go totally to waste. Flinn will likely take a high-paying job with a commercial airline that takes advantage of her taxpayer-paid training. She's also signed a book deal for big money, so she won't suffer too much from the disgrace of her less than honorable discharge from the Air Force.

The case raises more interesting questions than the military's rather old-fashioned stand on adultery and its willingness to piss away taxpayer money. What about all the married men in the military who have had affairs while away from home? Why are only a tiny fraction of these men investigated and punished? Isn't there a double standard here?

The issue of sex in the military is an extremely problematic one. The military has a chain of command. Each individual, except the Commander in Chief, is required to obey the orders of his superior, and failing to do so is a grave offense. Furthermore, those higher in the chain of command have the power to promote or punish those lower than themselves. It is difficult to see how someone threatened with horrible punishments for refusal and substantial rewards for obedience can be meaningfully said to consent to sex. In this context, there is good reason to regulate if not entirely prohibit sexual relationships within the chain of command. This was the logic behind the recent prosecution of a drill sergeant for having sex with his female trainees.

Of course, none of this applies to the Flinn case. She didn't have sex with her commanding officer or a subordinate, but with a civilian married to a military person. She wouldn't even have been subject to punishment if her lover had not been married.

But the military hasn't been particularly consistent about enforcing rules against sex within the chain of command. By all accounts, it is far more widespread than the few prosecutions would indicate.

What's more, is sex within the chain of command *always* wrong? What about the fictional relationship between Henry Blake and the unnamed nurse in the film *M\*A\*S\*H*? Or the relationship between Dwight David Eisenhower and Kay Somersby during World War II? Should Ike have been charged with rape and sentenced to 25 years hard time as the drill sergeant was?

And what about Bill Clinton? He has been accused of sexual assault, a charge which he has denied under oath. If a court finds that Paula Jones told the truth, or he admits as much by settling out of court, should he be threatened with jail and discharged from his position as Commander in Chief? —RWB

# Raising the Standard

by Stephen Cox

Never underestimate the value of preaching to the converted.

I wonder if your life has been the same as mine, in one respect at least: I've almost never done anything that I expected to do. I could certainly never have predicted that I would spend ten years of my life writing for the great intellectual journal of the libertarian movement. For one thing, I could never have predicted that I would become a libertarian. And when I did become a libertarian, whatever that is, I could never have imagined that a journal like *Liberty* would be created and sustained. Not in my lifetime, anyway.

The reason for this failure of imagination was my inability, as an individualist, to give due credit to other individualists. Once *Liberty* raised a standard to which good writers could repair, everyone was able to see how many thoughtful, learned, funny, cranky, amusing people there are in the libertarian movement. Don't get me wrong — I haven't *agreed* with any of those people. Not for a minute. But the intellectual quality of *Liberty's* list of contributors makes its success seem almost inevitable.

It wasn't, of course, and it isn't. *Liberty* could not live for a minute without the energy of its creator and constant guide, Bill Bradford. Some day, the individualist movement will total up its intellectual debt to him, and find itself completely unable to pay. I know that I would be embarrassed if I had to pay my debt to him for all the fun that *Liberty* has given me. I couldn't pay what I owe for even one of those late-night phone calls that begin with some remarks about whether that new article looks too long, proceed to a discussion of the natural rights controversy, move on to a review of the foreign policy of nineteenth-century Paraguay, and conclude with Bill's formula, created on the spot, for calculating the

distance at which mountains of a given height can be sighted from the ocean.

There used to be an idea, and it had some truth in it, that libertarians have one-track minds. Somebody said that when good Americans die, they go to Paris; and it used to be thought that when good libertarians die, they return to their regular table at Denny's and continue arguing against wage and price controls. The only improvement, it might be said, is that the table is now at Starbuck's.

But the founders of libertarianism, people who are always very much on *Liberty's* mind, were men and women of exceptionally varied origins and interests. The individualist movement grew out of a broad culture and broad human experience; it continues to be nourished by that soil. *Liberty* has tried to reflect the many sides of individualism, to discuss politics and public policy without letting those concerns displace all others.

In this respect, I think — no, I *know* — that *Liberty* has been helped by its intention not to become an "outreach" journal. *Liberty* does not exist to convert people to the individualist cause. If that happens, fine; but *Liberty's* function is to allow individualists to write about whatever subjects they find interesting and can get other people to find interesting also.

*Liberty* has certainly given me an opportunity to write about a lot of the things that interest me. It's a surprising and appalling fact, but there it is: I have published something in every one of *Liberty's* sixty issues, and I am profoundly grateful to have had the opportunity. What surprises me most, however, is that so few readers have written in to denounce me. I hope this does not mean that libertarians have grown polite. You will have to do better in the years to come. □

## Editorial

# Why Liberty?

Does the world really need another libertarian magazine?

There already exists a variety of libertarian periodicals, ranging from local newsletters to national magazines, from personal "zines" to scholarly journals. Given the limited resources of the libertarian movement, the number of libertarian publications is impressive, and the quality of most is remarkably good.

Yet it seems to us that nearly all libertarian periodicals fit into one of three categories: outreach periodicals, house organs or scholarly journals.

In efforts to gain influence or convince others of the correctness of their positions, a considerable amount of libertarian intellectual energy is aimed outside the movement via outreach periodicals. While converting others may be an important and worthwhile activity, outreach periodicals are sometimes rather boring to the intelligent libertarian. Who needs another article on free market garbage collection?

Other libertarian periodicals attempt to expound a certain vision of liberty to the exclusion of other libertarian visions. These house organs usually do a good job as standard bearers of their particular faction, but they often suffer from their narrow scope and perspective. They generally discuss only issues of particular interest to their faction; to the extent they discuss other issues, they do so from a very narrow perspective.

Libertarian scholarly journals offer a wider scope and broader perspectives; they often explore the frontiers of libertarian thinking. But the strictures of scholarly writing limit their content both in scope and style.

Neither outreach periodicals nor house organs nor scholarly journals can offer the kind of lively, provocative analysis that the intelligent libertarian craves.

### The Nature of *Liberty*

We propose to publish *Liberty* as a journal produced by libertarians for libertarians, a journal with the space and inclination to discuss issues that interest libertarians, written from an unapologetically libertarian perspective.

We propose to publish lively discussions of these sorts of issues:

- the intellectual and psychological roots of libertarianism and of the hostility to liberty.
- the sort of society that libertarianism entails.
- cultural, social and historical matters from a libertarian perspective.
- the tactics and strategies of those libertarians seeking to libertarianize the world, as well as the strategy and tactics of those who believe in allowing the world to go its own way.
- the origin and history of the libertarian movement.

We seek to publish uninhibited discussions of these issues, without feeling any need to soft pedal libertarianism or to outline or defend the precepts of libertarianism (except for challenges from within).

We seek a periodical that will discuss whatever interests the intelligent, thoughtful libertarian, without feeling any need to apologize for our beliefs or to placate non-libertarians.

We seek a periodical that does not soft-pedal libertarianism one whit.

### Who We Are

The editors of *Liberty* are a diverse lot.

Two of us (Rothbard and Cox) are professional academics; two of us (Bradford and Casey) are entrepreneurs and financial advisory writers; one of us (Overbeek) is an academic-researcher, scientist-entrepreneur.

One of us (Rothbard) has long been intimately involved in the Libertarian Party; two of us (Cox and Bradford) have supported the LP since its inception but only recently joined the party; another (Overbeek) has refused to join the Party because of his disagreement over its loyalty oath requirement; one of us (Casey) eschews political activity altogether, refusing even to register to vote.

The bases of our libertarianisms vary as well: One of us (Rothbard) is a leading advocate of Natural Rights philosophy, three of us (Cox, Overbeek and Bradford) are Classical Liberals more or less in the utilitarian tradition, and one of us (Casey) is an anarchist in the neo-Objectivist tradition of the Tannehills.

We acknowledge our differences of experience, of orientation, of approach. In the pages of *Liberty* we expect we will often disagree, and sometimes disagree with vigor.

But all of us agree on two points:

1) We believe that the role of government in people's lives should be radically reduced or eliminated altogether (thus we are libertarians);

2) We believe that libertarians need an "inreach" journal—a periodical in which to sort out their differences, share their thinking, etc.

That is why we publish *Liberty*.

R. W. Bradford  
Douglas Casey  
Stephen Cox  
Ross Overbeek  
Murray Rothbard

(Reprinted from *Liberty*, August 1987, page 4)

# At Liberty

by R. W. Bradford

On June 5, 1987, Timothy Virkkala took a fat envelope to the post office in Port Townsend, Washington. It was addressed to a printer in Seattle, and it contained photo-ready masters for the first issue of *Liberty*. During the previous six months, my wife Kathy, Tim, Steve Cox, and I had worked feverishly to reach that moment. We had developed a business plan, conducted a direct mail campaign, recruited several excellent writers to contribute to our effort (including three — Doug Casey, Murray Rothbard, and Ross Overbeek — who had agreed to grace our masthead as editors), sold about 1,200 subscriptions, written and edited 40,000 words for publication in that issue, designed a format, and laid out a magazine.

Ten years is a long time. It's long enough for a teenager to become an adult, and if he's Bill Gates, to earn a sum equal to three years' gross domestic product of Africa.<sup>1</sup> It's also long enough for communism to transform itself from a grave threat to humanity to a dim memory of interest only to historians, and long enough for a Democratic Congress to be replaced by a Republican one and for a Republican president to be replaced by a Democratic one. And ten years is also long enough for *Liberty* to be launched, to develop a personality, and to find its place in the world.

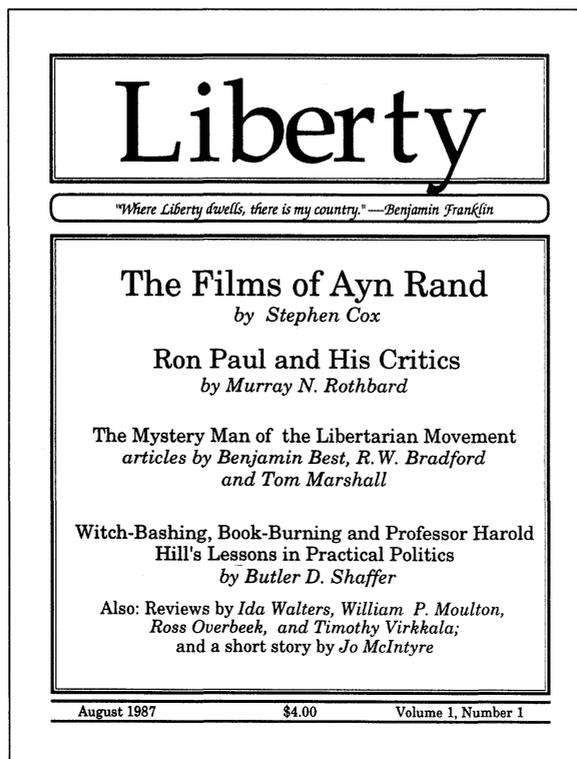
*Liberty's* first issue is easily recognized by anyone reading its September 1997 issue. Its masthead lists seven editors, six of whom — Kathy Bradford, Stephen Cox,

Douglas Casey, Ross Overbeek, Timothy Virkkala, and yours truly — are still editors today. It featured cartoons by Rex F. May ("Baloo") and a collection of absurd news ("Terra Incognita"), both of which still brighten our pages. The 1987 issue has fewer pages, a larger logo on its less colorful cover, and no "Reflections" at its front. But aside from these, few differences are readily observable.

Like any healthy newborn, *Liberty* had its fastest growth during its first year. By year's end, what we had planned as a 24- to 48-page magazine with a circulation of 1,500 to 2,000 was a 72- to 80-page magazine with a circulation of about 2,700. Sometime in the following year, I entertained the notion of extending one issue to 96 pages, only to be faced by a revolt of staff editors, proofreaders, and layout people — and the fact that the most frequent reason people had told us they didn't renew was that the magazine was "too long." This complaint always strikes me as peculiar: after all, reading *Liberty* is a voluntary activity; no one is punished for not reading every word. It seemed to me that the more you get for your money, the happier you should be, even if the press of time makes you skip an item or two. Nonetheless, I was overwhelmed by the combination of staff and reader resistance, and

with one or two exceptions, we have limited issues to 72 pages since.

Our circulation is another matter. Despite the fact that *Liberty* lacks the huge subsidies that finance most political



magazines, our circulation (both on the newsstand and by subscription) has grown at a fairly steady clip — at an average rate of 22% per year. It is especially gratifying that circulation increased even during periods when our limited financial resources precluded our doing direct mail marketing.

### The Best-Laid Plans . . .

*Liberty* was conceived as a magazine of good writing of particular interest to intelligent libertarians. Our original plan called for a purely “in-reach” journal for libertarians and classical liberals; we didn’t contemplate publishing analyses of public policy or comments on current events. (See “Why *Liberty*?”, August 1987, p. 4 — and in this issue, p. 28). After our third issue had been published, we surveyed subscribers, asking them to evaluate our efforts. The most popular category was “analysis of current events.” Since we hadn’t at this point published any analyses of current events, this was disturbing. We figured it was evidence of powerful demand from our readers, so we broke down and invited our contributors to provide commentary on cur-

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rent events. Our next issue featured an analysis of the ACLU and the war in Nicaragua.<sup>2</sup>

And in the following issue, we began to gather our editors’ shorter comments into “Reflections” at the start of each issue.<sup>3</sup> This eclectic collection of commentary, spleen-venting, short essays, obnoxious comments, and diverse libertarian opinion quickly became *Liberty*’s most popular feature.

### Breaking Stories

We’ve broken our share of major stories. In 1989, we were one of the first publications to report the rising threat to free speech on the campuses of universities,<sup>4</sup> and we published a detailed analysis of “political correctness” before most people had ever heard the term.<sup>5</sup>

In our September 1990 issue, Dr. Ron Paul reported in our pages that the “morning after” birth control pill had critical non-abortion uses and argued persuasively that, even from an anti-abortion perspective, it ought not be banned.<sup>6</sup> Three months later, the *New Republic* made this their cover story.

We scooped the *New Republic* again, this time by a wider margin, in our July 1991 issue. I wrote a short piece reporting that, contrary to press reports, the northern spotted owl, whose listing as an endangered species had halted logging in the Pacific Northwest, was not a species at all, but a separate population of a species that inhabits North America from Mexico to Canada and is not in any way endangered.<sup>7</sup> It was three years before the *New Republic* published a much-ballyhooed cover story making exactly the same point.

Perhaps our proudest moment was our analysis of the BATF-FBI siege near Waco, Texas.<sup>8</sup> As it happened, we were scheduled to go to press with our June 1993 issue on April 22, just three days after the FBI assault on the Branch Davidians resulted in the death of more than 80 people, including 23 children. While virtually all other American periodicals were expressing sympathy for the trauma suffered by the FBI and outrage that the Davidians had brought this upon themselves, we published articles by Steve Cox and myself, calling the press to account for its supine cowardice and denouncing Attorney General Janet Reno as a self-confessed mass murderer, based on her statements and interviews the day of the conflagration. We headlined our coverage “Holocaust in Waco,” a deliberately provocative title and arguably an outrageous one. It was our best-selling issue ever on newsstands.

I am quite proud of the discussion and analysis we have presented of current issues and events like the preposterous U.S. invasion of Panama to arrest its president,<sup>9</sup> the Rodney King beating and subsequent trial and riots<sup>10</sup> and the Gulf War.<sup>11</sup> Thanks to our very talented editors, we were able on short notice to devote a special section of the magazine to a variety of intelligent libertarian insights into these and other major stories.

But we’ve never lost focus on the point that *Liberty* is more than anything else a place where we libertarians discuss among ourselves the world and our approach to it. Controversy has been the lifeblood of *Liberty* since its very beginning. The first major battle to be fought in our pages was the most fundamental question: *Why should a person be a libertarian?*

### The First Major Controversy

The dispute began with a commentary on an interesting news event. Harvard philosopher Robert Nozick, who had brought a new respectability to libertarianism with the publication of his *Anarchy, State, and Utopia*, took advantage of rent control laws in Cambridge, Massachusetts, to force his landlord to lower his rent and refund a substantial portion of the rent he had earlier paid. The reaction from most libertarians was swift and indignant: the libertarian philosopher who had defended the morality of “capitalistic acts between consenting adults” had “embarrass(ed) libertarians and endanger(ed) the hard won progress libertarianism has made . . .”

In *Liberty*’s second issue,<sup>12</sup> I used Nozick’s act as a springboard for a novel argument:

Consider a society identical in every way to current American society, except that 200 years ago, every inhabitant of the continent agreed to vest all ownership of real estate in a corporate body, which would be governed according to the same rules that are encoded in U.S. law today. Nominal private ownership was allowed, subject to periodic payment of fees (called “real estate taxes”) and various other controls (called “laws and regulations”) on the behavior of those who might live on the corporately owned land. The original corporate agreement specified that the taxes, laws and regulations might be changed according to certain specific procedures.

I further supposed that this society subsequently devel-

oped in exactly the same way the United States developed, and that it was identical to contemporary America in every way except for that fateful day when every inhabitant had agreed to vest ownership in the corporate body.\*

If the historic origin of the laws was universal consent, Nozick was acting in a completely moral fashion according to libertarian theory. But if the historic origin was less than universal consent, then Nozick's action was criminal. If one condemns Nozick for using an institution whose origin was coercive, then what about the fellow who uses roads or message delivery systems that have their origin in coercion, or who accepts employment from a coercive institution? The same logic that forces condemnation of Nozick seems to force condemnation of anyone who uses any government services whatever — in other words, every person in America today.

If, as most libertarians believe, "no man has the right to initiate the use of physical force against others and coercion is universally opprobrious," I argued, then "the actual customs, laws and actions of a social arrangement are of relatively little import in evaluating its morality: what really counts is whether the social arrangement had its origin in voluntary contract of all landowners."

I concluded by observing that there is a "second libertarianism," one that advocates liberty "as the most expeditious and utilitarian arrangement for human interaction," and that this sort of libertarianism has no problem with

\* I wrote the piece under the pseudonym of "Ethan O. Waters," concocted as an anagram of "Owen Hatteras," H. L. Mencken's favorite pseudonym. I used a pseudonym because I wanted to make sure that people didn't think that this heretical argument, coming from the editor and publisher of a young magazine, was supposed to set ideological policy for the magazine.

This episode developed for Waters a reputation for bombasticism if not downright obnoxiousness, and from time to time, I used the Waters pseudonym for controversial writing, including one piece co-written with Timothy Virkkala. As time went on, *Liberty's* reputation as an arena for intellectual controversy became well established, and it became clear that *Liberty's* agenda did not include promoting any sort of ideological doctrine, mine or anyone else's. So there was less and less reason to use the pseudonym, and I have written nothing under that name in six years.

I kept the pseudonym secret from all but a few of *Liberty's* editors, and was greatly embarrassed to feel the need to deceive inquirers, including some friends. On one occasion, I flat-out denied being Waters, but otherwise I tried to mislead without actually lying. I quickly took to refusing to reveal anything at all about Waters, including, when asked, whether I was he. This of course increased the suspicion that I was Waters. O what tangled webs we weave!

the argument I had posed.

## Heating Things Up

At the time, *Liberty* had the slowest printer in the world, one who took five weeks to print and mail an issue. So there wasn't time for readers to respond in the next issue. But I sent a copy of my piece to *Liberty's* editors, hoping for a response, and Murray Rothbard quickly penned a defense

## Liberty's First Year

**August 1987, 48 pp., \$4.00**

• "The Films of Ayn Rand," by Stephen Cox • "Life or Death in Seattle," by Murray N. Rothbard • "The Mystery Man of the Libertarian Movement," by Ben Best • Plus reviews and articles by Ross Overbeek, Butler Shaffer, Ida Walters, and others.

**October 1987, 48 pp., \$8.00**

• "The Sociology of Libertarians," by J.C. Green and J.L. Guth • "The Apostasy of Robert Nozick," by Ethan O. Waters • "The Rise of the State," by Murray N. Rothbard • Plus reviews and articles by Stephen Cox, William P. Moulton, Mike Holmes, Jonathan Saville, and others.

**December 1987, 56 pp., \$3.00**

• "Libertarians in a State-Run World," by Murray N. Rothbard • "The Most Unforgettable Libertarian I Ever Knew," by Karl Hess • "Easy Living in the Bahamas," by Mark Skousen • Plus writing by Walter Block, Erika Holzer, Stephen Cox and others.

**March 1988, 64 pp., \$4.00**

• "Libertarians and Conservatives: Allies or Enemies?" by John Dentinger & Murray N. Rothbard • "Free Speech and the Future of Medicine," by Durk Pearson and Sandy Shaw • "The Majority vs the Majoritarian: Robert Bork on Trial," by Sheldon Richman • Plus reviews and articles by R.W. Bradford, William Cate, Stephen Cox, and others.

**May 1988, 64 pp., \$6.00**

• "Ayn Rand: Still Controversial After All These Years," by David Ramsay Steele & David Brown • "The ACLU: Suspicious Principles, Salutary Effects," by William P. Moulton • "The Two Libertarianisms," by Ethan O. Waters • Plus reviews and articles by Gary Alexander, Nathaniel Branden, Erika and Henry Mark Holzer, Jeffrey Rogers Hummel, Sheldon Richman, Franklin Sanders, and others.

**July 1988, 80 pp., \$4.00**

• "Confessions of an Intractable Individualist," by Jerome Tuccille • An interview with L. Nieceil Smith • David Ramsey Steele on Robert Anton Wilson's critique of natural rights • "Rand-Bashing: Enough is Enough," by Ross Overbeek • Plus reviews and articles by Stephen Cox, Tibor Machan, Bill Kelsey, and others.

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of the mainline libertarian position.<sup>13</sup> The issue that followed contained ten critical letters from readers, along with my responses.<sup>14</sup> I followed up with an essay exploring the differences between "The Two Libertarianisms" ("moralistic libertarianism" and "consequentialist libertarianism") in the following issue, criticizing and defending each.<sup>15</sup> The discussion caught David Friedman's eye, and he forwarded three chapters from the new edition of *The Machinery of Freedom* that addressed the same issues, which graced *Liberty's* pages during the coming year.<sup>16</sup>

And so began a controversy that has percolated into our pages from time to time ever since. Our September 1988 issue trumpeted Hans-Hermann Hoppe's "The Ultimate Justification of the Private Property Ethic," which proposed a radical alternative to the natural-rights-moralistic approach and the consequentialist-utilitarian approach.<sup>17</sup> Hoppe argued that "by being alive and formulating any proposition . . . one demonstrates that any ethic except the libertarian ethic is invalid." Murray Rothbard was a great enthusiast for Hoppe's argument and asked me to solicit responses from prominent Randian philosophers, whom he thought might share his enthusiasm. I decided to try to balance the responses by inviting some from individuals who would likely be more critical. We needn't have bothered. We were again inundated by responses and letters-to-the-editor. In the end, the only support Hoppe received, aside from Murray's enthusiastic encomium ("dazzling breakthrough") was from Sheldon Richman.<sup>18</sup>

High-powered debate over the fundamental principles of libertarian thought has continued to percolate in *Liberty's*

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pages, most recently in the discussion of the death penalty by George Smith, Tim Virkkala, and John Goodman.<sup>19</sup> But there have been many other, less-philosophical controversies in our pages as well. We have published challenges to other aspects of libertarian doctrine — most notably, the notion that libertarianism requires an isolationist foreign policy. This time, the challengers were Steve Cox and Jim Robbins, who argued that the Soviet Union posed a great threat to liberty and ought to be opposed by the U.S. government. Sheldon Richman vigorously defended the orthodox non-interventionist position. I meekly suggested a third position: that isolationism was not entailed by libertarian thinking, but was virtually always prudent.<sup>20</sup>

### LP Agonistes

Perhaps the single topic of most controversy in *Liberty's* pages has been the Libertarian Party. In our very first issue, we published a lengthy article endorsing Ron Paul's campaign for the LP presidential nomination, and a shorter essay delphically supporting Russell Means's quest for the

same honor.<sup>21</sup> I myself have supported every LP presidential nominee, but among *Liberty's* other editors have been supporters for every other major candidate in each election, and in every election year they've made their case in *Liberty's* pages.

Unlike any other periodical, *Liberty* takes the LP seriously, without patronizing it, providing the same sort of analysis and coverage that mainline periodicals provide for the Republicans and Democrats. We've covered every Libertarian national convention, rooting out stories unreported by other media, and offering the kind of critical coverage not found elsewhere. We take seriously the debates within the party, and our editors and contributors usually have had a lot to say about LP politics.

That is not to say that we've ignored the major parties. When Patrick Buchanan made a bid for libertarian support for his right-wing crusade for the presidency, contributing editor Jim Robbins trekked to New Hampshire for a very revealing interview.<sup>22</sup> We had reporters at the 1992 and 1996 GOP conventions,<sup>23</sup> and were among the very first magazines to identify the defining characteristic of Bill Clinton: his naked, all-encompassing lust for power.<sup>24</sup>

From Murray Rothbard's delightfully vicious "Ronald Reagan: An Autopsy"<sup>25</sup> to our continuing exposure of Bill Clinton's moral turpitude, we've spared no American political leader. At our Editors' Conference in 1995, when Harry Browne announced his campaign for the LP presidential nomination, I publicly endorsed his effort, but warned him that in the virtually impossible event that he were elected president, I'd withdraw my support and he could expect the same treatment that Reagan, Bush, and Clinton have received in our pages. And I meant it. (Of course, Harry didn't win, though he did bring new credibility to the LP. Since this February, he has been a Senior Editor of *Liberty* — so instead of being a target of our barbs, he's slinging barbs of his own.)

### A Giant of Liberty

In 1987, we surveyed subscribers to *Liberty* and delegates to the Libertarian Party's national convention about a wide range of subjects.<sup>26</sup> We asked them to evaluate the influence of 27 libertarian thinkers and philosophers, living and dead, on their intellectual development. It came as no surprise that the two most influential figures by a wide margin were Ayn Rand and Murray Rothbard. And it comes as no surprise that *Liberty* has published a good deal about these two figures.

Rand occupies a unique place in American intellectual history. Though she was undoubtedly an intellectual, her advocacy of radical libertarianism has led most conventional scholars to dismiss her from serious consideration. The stridency of her personality and her insistence that her followers agree with every jot and tittle of her philosophy reduced much of her following to a hagiographic cult, unwilling to subject her to critical analysis. As a result, there has been precious little serious scholarship regarding her life and work.

So it was relatively easy for *Liberty* to become the pri-

mary journal publishing studies of Ayn Rand. Our first issue included Steve Cox's discussion and review of the three films whose screenplays Rand had written.<sup>27</sup> Seven issues later, I wrote an article about the 1943 Italian film version of *We The Living*, which revealed that much of what Rand had said about it was false.<sup>28</sup> We have since published John Hospers' detailed account of philosophical discussions he had with Rand,<sup>29</sup> Murray Rothbard's account of his split with Rand,<sup>30</sup> Tibor Machan's memoir of his encounters with Rand,<sup>31</sup> and lengthy interviews with Rand's friend and biog-

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rapher, Barbara Branden,<sup>32</sup> and with libertarian raconteur Roy Childs,<sup>33</sup> not to mention vigorous reviews of virtually all books about Rand published since 1986, as well as detailed analyses of (and disputes about) her political philosophy.

Curiously, our interest in Rand has angered both Rand's hardcore fans and her harshest critics. The former find us too critical, and the latter find us too appreciative. Personally, I think they're both nuts: Rand was not a goddess worthy of veneration, but she was an important intellectual whose life and thought merits serious and extensive exploration.

Murray Rothbard got involved with *Liberty* in 1985, back in the planning stage. My relationship with him was always cordial and friendly, and he never failed to support us in our enterprise. When we wanted a premium to offer to charter subscribers, he generously donated his "The Sociology of the Ayn Rand Cult," and he contributed to virtually every issue until he resigned in early 1990. During that time, I spoke to him very frequently, often two or three times a week. He was delightful to work with, even when we differed on one thing or another.

From the start, Murray understood that *Liberty* would be open to all libertarian opinions, and would make no attempt to follow the well-hewn "Rothbardian" line. At my first meeting with him, I warned him of my disagreement with much of his political theory and suggested that I might publicly disagree with him from time to time. This he accepted joyously. He always shared his pungent and powerful opinions, and cheerfully accepted the fact that sometimes his advice was not followed.

I remember sending him a copy of a manuscript by John Dentinger that criticized the LP for becoming too right-wing.<sup>34</sup> When I spoke to him about it, he told me that he thought it was loathsome. I sheepishly told him that in the interim — he had put off reading it for a few days — I had circulated it to other editors and had decided to publish it.

"Would you be interested in writing a response to it?" I asked. "Sure," he said. "But you'll have to send me another copy." He went on to explain that he had hated it so much that he had destroyed the copy I had sent him.

### Exit, Stage Right

As early as 1987, Murray had told me that he was thinking of abandoning libertarianism in favor of the political right. In the summer of 1989, after his candidate for Libertarian Party chairman was defeated, he was ready to abandon his long-time ideological home. Along with his colleague at the Mises Institute, Lew Rockwell, Murray decided to join his erstwhile enemies, the conservatives, after first going through a transition phase as a "paleo-libertarian."

Murray kept me apprised of his repositioning and his campaign to recruit other libertarians to join him on his ideological odyssey. I resisted, of course, but our relationship remained cordial and he continued to contribute to each issue. In October 1989, Rockwell\* sent us a manuscript titled "A Paleo-Libertarian Manifesto," which bellicosely outlined his and Rothbard's halfway house on their rightward voyage.<sup>35</sup> I gladly published it in our January 1990 issue, and during the next month or two Murray made a more concerted effort to recruit me. I continued to resist, and the March 1990 *Liberty* included a number of responses to Rockwell's manifesto, some of them openly hostile. By this time, the fax machine was regularly printing out what our student intern took to calling "Rockwell's daily hate

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fax." Plainly, my relationship with Rockwell had deteriorated.

My relationship with Murray, however, remained cordial even after I received a fax from Rockwell telling me that Murray had decided that he wouldn't be writing for *Liberty* in the future, and would like to resign his position as Senior Editor. Between that day and his passing in January 1995, we spoke occasionally and affably. I heard from time to time that he had denounced me in the pages of his newsletter, but I never saw the denunciations, and I wouldn't have been particularly upset if I had. Even before I first approached Murray, I knew that he had a long and well-known history of breaking with his political associates, usually with denunciation and recrimination, and that it was almost inevitable that my relationship would end this same way.

I prefer to remember him as the charming, brilliant, and joyous friend he had been in *Liberty's* formative years. He was the wittiest man I have ever met, the best man with

\* Rockwell had earlier applied for a position as *Liberty's* "Washington Editor." I gently turned down his offer, on grounds that he lived hundreds of miles from Washington.

whom to spend an evening in a bar that I ever knew. I miss him enormously.

### A Very Different Giant

I was thrilled when, after publication of our third issue, Karl Hess agreed to become an editor. Karl was the opposite of Murray in many ways: while Murray was rationalistic, Karl was intuitive; Murray was ideological, Karl loathed ideology; Murray liked typewriters, classic jazz, and economic theory; Karl liked computers, rock-and-roll, and science. They had been allies in the early 1970s, but Murray's insistence that movement "cadre" accept the "correct, Rothbardian line" on every issue soon led to their split. By the time I knew them, *Liberty* was just about the only interest they had in common.

Karl had started as a political conservative, but became a radical libertarian during the 1960s. He put his enormous

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talent as a writer to work on behalf of libertarianism, and is as responsible for the birth of the modern libertarian movement as anyone. His contributions to *Liberty* went far beyond his writing: he was a constant source of encouragement to me, always there with a wise and temperate word when one was needed. He was the most lovable — and most loved — man I've ever known. His passing in 1994 was a dreadful loss for all of us. The celebration of Karl Hess's life that I wrote for the July 1994 issue was the most emotionally wrenching piece of writing I've ever undertaken.<sup>36</sup>

Of course, *Liberty* is more than philosophy, politics, and libertarian personalities. We've published some rather exotic travel writing. I remember once at a Mont Pelerin Society meeting, a federal judge took me aside and said, "You've got a misprint on your cover," as he pointed to a title emblazoned on our September 1991 issue: "Stalking the Giant Testes of Ethiopia."<sup>37</sup> "Actually," I explained, "that's not a typo. . ." We've published some very fine short stories and even an occasional poem, to the apparent annoyance of some of our readers.

In 1988, Murray Rothbard talked to an interviewer about *Liberty*:

The libertarian movement was beginning to crumble before *Liberty* was founded. Everybody was so concerned with talking to the outside, to Democrats or Republicans or whoever, that we forgot to develop our own thinking, our own ideology, our own point of view.

Part of what the libertarian movement is about is developing an attitude, finding out about the world and commenting on it from a libertarian perspective, and reacting to it and trying to change it, so that libertarianism is not just an abstract ideology somewhere in a vacuum.

Surely, in his enthusiasm, Murray exaggerated *Liberty's*

impact. But he was right about one thing: *Liberty* has fulfilled its basic goal of producing a magazine where libertarians can discuss the world and our thinking without inhibition or apology. The fact that we sell thousands of copies on newsstands to non-libertarians is entirely serendipitous.

### Into the Future

*Liberty's* first ten years have not come without disappointments. We've published precious little of two kinds of writing that I'd hoped to see a lot of in our pages. Aside from conventional politics of the LP or major parties, we've had little discussion of strategies for achieving liberty. While we've published a fair amount of excellent writing on early modern libertarians, including H. L. Mencken, Rose Wilder Lane, Albert Jay Nock, and Isabel Paterson, we've done little on the origin and history of the libertarian movement itself. I constantly worry that we're not improving or that our editorial vigor is declining. I wish we were publishing an issue every month, instead of every two months, something we've been planning for some time but still lack the resources to tackle.

Even so, I'm immensely proud of what we've done. Launching *Liberty* and seeing it through its first decade has involved a tremendous amount of work. For me, at least, it has been an enormously satisfying adventure. In the magazine trade, magazines are generally classified as "circulation-driven" or "advertising-driven" — that is, financed by those who purchase them or by those who advertise in them. Most political magazines, especially those with circulation of less than 100,000, fit into a different category: "donor-driven." Most are financed primarily by their donors, who are generally large wealthy foundations or corporations.

*Liberty* is a unique publication, a political magazine driven by its readers and its editors. Virtually all of *Liberty's* writers have worked without compensation beyond the pleasure of seeing their writing in print. But our expenses are virtually all met from our subscription and newsstand revenue, and we've put together ten years of a pretty good magazine and maintained our independence.

And who knows? Maybe we'll be publishing monthly in a year or so . . . then bi-weekly . . . then weekly . . .

Who knows where it all will all end? □

### Notes

1. This is an exaggeration.
2. May 1988
3. July 1988
4. July 1989
5. July 1990
6. September 1990
7. July 1991
8. June 1993
9. March 1990
10. July 1992
11. May 1991
12. October 1987
13. December 1987
14. March 1988
15. May 1988
16. July, September 1989
17. September 1988
18. November 1988
19. May 1997 and July 1997
20. March, May, July 1990
21. August 1987
22. March 1992
23. November 1992, November 1996
24. February 1993
25. March 1989
26. July 1988
27. August 1987
28. November 1988
29. July 1990; September 1990
30. September 1989
31. November 1989
32. January 1990
33. April 1993
34. March 1988
35. January 1990
36. July 1994
37. September 1991

## Debunking

# Yes, Gambling is Productive and Rational

by David Ramsay Steele

"You do not play then at whist, sir! Alas, what a sad old age you are preparing for yourself!" —*Talleyrand*

The War on Gambling is about to take its place alongside the War on Drugs as a crusade for decency which no ambitious politician may question. The present movement to legalize gambling, which got under way in the 1960s, is still making some gains, but has become increasingly

unpopular. The momentum of legalization has been slowed, and will soon be reversed. Although some gambling is now legal in all but two states (Hawaii and Utah), gambling prohibitionists are confidently predicting absolute nationwide prohibition by early next century, and it's by no means self-evident that they are wrong.

Government policy on gambling has gone through successive cycles of liberalization, backlash, and renewed prohibition. In the U.S., we are currently experiencing the third nationwide backlash — the first was in the middle of the nineteenth century, the second during the 1940s.

The ease with which public opinion can be mobilized against gambling reflects a deep-rooted suspicion. Most people enjoy gambling in moderation, and will gamble occasionally if they can. Yet these same people often oppose further liberalization of the gambling laws. Gambling is one of those things which are obviously harmless when you or I do them, but fraught with menace if millions of other people can do them too.

Why is gambling, enjoyed by the vast majority of people, denounced day in and day out, with hardly any

voices to be heard in its defense? The reigning ideology tells us all that gambling is evil, for several reasons. Gambling is selfish; it is addictive; it provides "false hope"; it is a dangerous competitor to some forms of religion because it too offers the prospect of a greatly improved future life at rather long odds.

Yet possibly the single most influential reason for holding gambling to be evil is the belief that it is unproductive and therefore wasteful. Today's hostility to gambling has much in common with the old opposition to "usury" (charging interest on loans) and the current fear of "de-industrialization" (replacement of manufacturing by service jobs). Money-lending, hamburger-flipping, and playing the lottery have all been maligned as essentially sterile pursuits whose expansion bodes ill for the health of the nation.

### Simply Sterile Transfers?

Is gambling unproductive? We need to distinguish between the more or less remote *effects* of gambling and its *intrinsic nature*. It is sometimes claimed that gambling encourages people to dream impossible dreams

about the future instead of working hard, or that gambling encourages crime at the expense of honest industry. Aside from these alleged effects of gambling, however, it is commonly believed that gambling is intrinsically unproductive — that in gambling, unlike farming or auto manufacture, nothing is produced.

Claims about the injurious *effects* of gambling don't seem to be factually correct. Freedom to gamble encourages hard work on the part of gamblers, especially those with low incomes, just as, broadly speaking, any enhanced opportunity to spend one's earnings as one pleases increases the incentive effect of a given wage. And gambling by itself does not attract crime: it is the illegality of some or all gambling which forces gambling to become a criminal activity.<sup>1</sup>

Is gambling, then, *intrinsically* unproductive? One very popular view was promulgated by Paul Samuelson in his once-canonical textbook: gambling "involves *simply sterile transfers of money or goods* between individuals, creating no new money or goods."<sup>2</sup> A footnote informs the reader that "in all professional

gambling arrangements, the participants lose out on balance. The leakage comes from the fact that the odds are always rigged in favor of the 'house,' so that even an 'honest' house will win in the long run." Notice the nasty quotes around "honest," and the use of the word "rigged" to represent the fact that these sneaky casino operators do not provide their services as a charity, but require to be recompensed for their

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*Freedom to gamble encourages hard work on the part of gamblers in the same way that any enhanced opportunity to spend one's earnings as one pleases does.*

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efforts, just like college professors or writers of textbooks.

### **The Cannibals Are Coming**

Before we look at the claim that gambling involves nothing but sterile transfers of money or goods, let's first consider a related charge levelled by anti-gambling propagandists. One of their leaders, Robert Goodman, contends that gambling, when it is permitted after a period of prohibition, displaces or, as he picturesquely terms it, "cannibalizes" other activities.<sup>3</sup>

Goodman continually reiterates this charge, and doesn't seem to notice that it applies equally to any activity which consumes scarce resources — any activity whatsoever. If pizza restaurants were first prohibited and then legalized, the newly legal restaurants would attract some dollars away from other businesses. Buildings, kitchen equipment, tables, delivery vehicles, and employees would be bid away from other kinds of restaurants, and perhaps some resources would be bid away from non-restaurant activities, to cater to the consumers' newly-liberated demand for pizzas. One might then observe that pizza provision grows only by hurting other occupations — that pizzerias "cannibalize" other trades.

If, after being prohibited, a casino is permitted to open, this may well cause people to spend in the casino some money they would formerly have

spent in a restaurant. Perhaps that restaurant has to close because of reduced business. Precisely the same would apply in reverse: if casinos were legal, but restaurants prohibited, and then restaurants were legalized, the newly legal restaurants would attract consumers' dollars away from casinos, and some casinos might have to close. Anti-restaurant fanatics could then proclaim that restaurateurs were nothing more than dastardly cannibals, gobbling up legitimate businesses such as casinos.

When a heretofore prohibited but widely desired activity is legalized, the expansion of this activity will necessarily curtail other activities, unless total output increases. This does not mean that the change is unimportant. The fact that people pursue the newly legal activity demonstrates that there is an unsatisfied appetite for that activity. The people who desire to take part in the prohibited activity, and are now free to do so, experience an improvement in their situation, in their own judgment. Their real incomes automatically rise, even though this increase is not captured in national income statistics.

There are two important qualifications to what I have just stated. First, the legalization of a formerly prohibited industry reduces the demand for other industries below what it would otherwise have been, not necessarily below what it has actually been. If total output rises — if there is economic growth — casinos may attract business from restaurants, and yet restaurants may keep the same business as before, or even expand. Second, prohibition of gambling does not succeed in stopping gambling. While prohibition reduces the total amount of gambling, some gambling goes on illicitly. A major part of the expansion of legal gambling following legalization takes away business from formerly illegal gambling rather than from non-gambling activities.

The assertion that gambling subtracts consumer dollars from other industries is precisely as true of gambling as of manufacturing refrigerators, providing health care, or running a church. Why then do anti-gambling zealots make such a fuss about cannibalization? There are two reasons.

First, in recent years politicians who favor legalization of gambling

have scored points by appealing to local advantage. They have claimed that the local economy (city, county, state, or Indian reservation) would get a shot in the arm from an increased inflow of visitors. In this case, the money spent on local gambling is not withdrawn from some other local industry; it is withdrawn from industries outside the locality. There is a net gain to business in the locality, at the expense of reduced business elsewhere.

But this only works if gambling continues to be considerably more restricted outside the locality than it is within it. Las Vegas is now established as an exciting vacation center which would easily survive the complete legalization of all gambling in the U.S., but in its formative years Las Vegas would never have taken off if gambling had not been virtually illegal across nearly all of the country. The more gambling is legalized generally, the less any locality can attract visitors by legalization.

There has recently been so much legalization in various parts of the U.S. that any locality which newly legalizes gambling cannot thereby attract many visitors.<sup>4</sup> The bulk of the new gambling

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*A lottery is simply a way in which a lot of people each put in a small sum, and then a few of those people picked at random get large sums. Nothing in the world could possibly be more harmless or more innocent than this.*

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business unleashed by a local legalization now comes from people who live nearby.<sup>5</sup> This has led to disappointment at the results of recent legalizations, disappointment which rabid anti-gambling demagogues like Goodman can cynically exploit.

The fundamental argument for legalizing gambling is not that it will bring in business from elsewhere, but rather that people are entitled to do whatever they please with their own lives as long as they don't invade other people's rights. More generally, it is

good for people to be free to do what they want to do, so long as this does not impose on anyone else.

The other reason why the "cannibalization" argument is so often made is that many people start with the prejudice that gambling is a waste. If gambling is unproductive, and if the growth of gambling subtracts from some productive activity, then this must, it seems, be bad. But if it is bad for gambling to cannibalize restaurants, yet okay for bookstores to cannibalize drycleaners or for churches to cannibalize bowling alleys, then cannibalization is not what is really being objected to. We come back to the inherent legitimacy of gambling, and the dominant view of that is mightily influenced by the popular theory that gambling is necessarily unproductive.

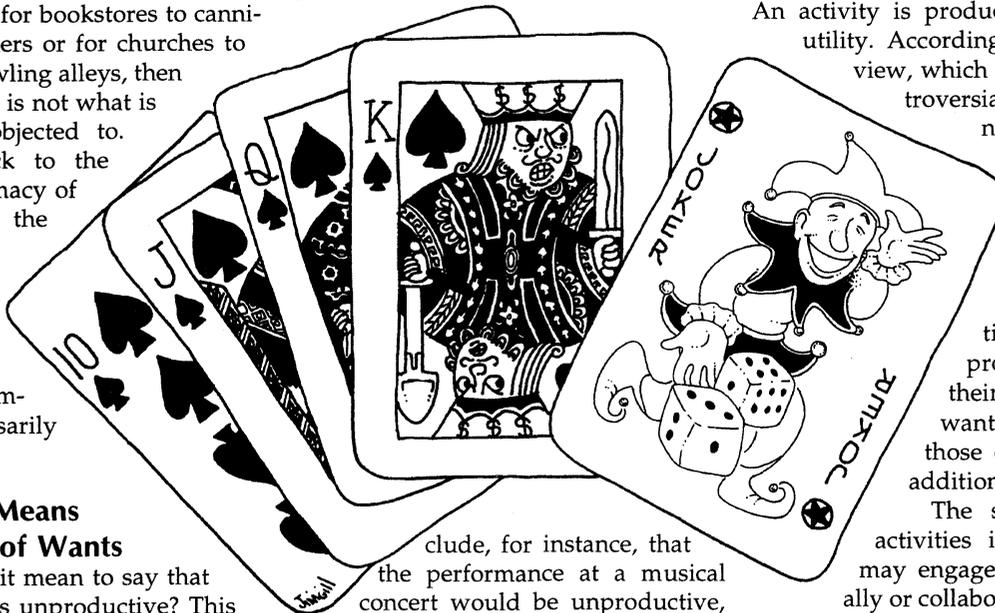
### Production Means Satisfaction of Wants

What does it mean to say that some activity is unproductive? This question was picked over quite thoroughly by economists in the eighteenth and nineteenth centuries. One early view was that only agriculture was productive. Manufacturing (then a small part of total employment) was looked upon as unproductive, since it was obviously supported by agriculture — the manufacturers had to eat. Another idea was that only products which could be turned into gold and silver were truly productive. Later these two theories lost any serious following,<sup>6</sup> but two others remained popular for a while: that anything which did not result in a new physical object was unproductive, and that what we would now call "service" jobs were unproductive. (These two views are not the same, and do not necessarily mesh together well, for a provider of services, such as an architect, may assist in the creation of a new physical object, such as a house.)

Adam Smith contended in 1776 that the labor of domestic servants, government officials, the military, "churchmen, lawyers, physicians, men of

letters of all kinds; players, buffoons, musicians, opera-singers, opera-dancers, &c." were unproductive.<sup>7</sup> This contention, and the sloppy argument of which it forms a part, provoked much debate over the next century.

The attempt, by Smith and others, to designate some occupations as unproductive did not lead to convincing conclusions. Those who based productiveness on the making of a physical object were compelled to con-



clude, for instance, that the performance at a musical concert would be unproductive, whereas printing the tickets and programs for that same concert would be productive.

After the end of the nineteenth century, leading economists no longer paid much attention to the classification of activities as productive or unproductive. The new theory of value based on marginal utility shone a flood of light on the question, and clearly exposed many of the old arguments as fallacious.

The conclusion of the new approach was that "production" means satisfaction of wants. It is productive to make a physical object only insofar as that object enables someone to satisfy a desire. In satisfying desires, the physical object (such as a shirt) yields services. All production is ultimately production of *services* desired by consumers. The musician giving a live performance is being directly productive in the only way in which it is intelligible to be productive: he is satisfying the wants of consumers, in this case of listeners. The producer of a shirt is being productive more indirectly, by making an object which will

yield a stream of future want-satisfactions to its wearer. If for some reason the shirt cannot yield these want-satisfactions, whether because everyone undergoes a conversion to an anti-shirt religion or because the shirt falls apart before it can be worn, then the labor of producing it has turned out to be unproductive, despite the fact that a physical object was made.

One way of describing want-satisfaction is to talk about "utility." An activity is productive if it yields utility. According to the modern view, which is no longer controversial among economic theorists, domestic servants, entertainers, priests, and physicians are indeed productive, because they produce services their customers want; they enable those customers to get additional utility.

The same applies to activities in which people may engage either individually or collaboratively. It is productive for a musician to give a recital, assuming that the audience likes it, but it is also productive for a group of friends to get together and perform music for their own enjoyment, or for an individual to perform alone for his own satisfaction.

"Productive" is not a value-judgment. If gambling turned out to be productive, that would not show that we would have to approve of it, but it would show that if we disapproved of it, we would have to do so on grounds other than its unproductiveness.

Does gambling satisfy the wants of its participants? Do gamblers enjoy gambling? If they do, then gambling is productive, in much the same way that sports, religious services, or psychotherapy are productive.

### Gambling as Recreation

The outstanding theorist of gambling, Reuven Brenner, points out that it comes in two types.<sup>8</sup> There is gambling — call it "recreational" — which takes up a lot of the gambler's time, and gambling which does not. Many

people derive considerable enjoyment from recreational gambling. Recreational gamblers do not gamble primarily to gain financially, but to enjoy themselves by playing a game. The possibility of monetary gain or loss adds spice to the game.

Many forms of recreational gambling involve some skill, and these games are therefore not sharply different from games like golf or chess, where there is *some* luck and people pay to play competitively, the winners receiving substantial prizes. In poker, the amount of luck per hand may be high, but this evens out with many hands, so that the element of skill will tend to predominate in the course of a few hours' play.<sup>9</sup> A serious chess game may easily take five or six hours; it is doubtful whether the outcome of five hours' poker is any less governed by skill. Recreational gambling is no less productive than tenpin bowling, ballroom dancing, or barbershop singing

— all group pastimes which people pursue because they enjoy them. Samuelson's mistake — a surprising blunder coming from an economist — lies in counting only the monetary transactions. Of course gambling does not create new physical goods; it directly yields utility to the players.

### Are Lotteries Productive?

Many people will readily agree that if a concert, a baseball match, or an evening's conversation are considered productive, a poker game might also

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*This willingness to pay for insurance more (sometimes vastly more) than its "expected value" is lauded to the skies as the epitome of responsible behavior.*

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be judged productive.<sup>10</sup> But there is another kind of gambling: playing the lottery. Surely this can't be primarily an enjoyable way to pass the time. It seems to be done in hope of financial gain, but what if that hope is a product of delusion?

An activity may be anticipated to be productive, but found not to be productive after the fact. Drilling for oil may be unproductive if no oil is found. Technical terms sometimes used for such a distinction are *ex ante* (looking forward before the outcome) and *ex post* (looking backward after the outcome). The anti-gambling ideologue may say: Granted that gambling is productive *ex ante*, it is most often unproductive *ex post*.

Normally we would expect a person to learn from his mistakes, to give up futile endeavors and turn his attention to more successful avenues. Therefore, the mere fact that someone persists with some activity strongly suggests that this activity is productive for that person. It is claimed, however, that the gambler is unable to learn from experience. He is like a driller for oil who keeps coming up dry, but repeatedly pours money into an endless series of unsuccessful drills. Because of a flaw in his thinking, he is unable to learn from experience, despite the fact that he doesn't get

what he pays for. Is playing the lottery inescapably irrational? If it is, then lottery playing may perhaps be considered unproductive *ex post*.<sup>11</sup>

Anti-gambling dogmatists usually hold a distinctive interpretation of the motivation for gambling. They maintain that gambling occurs because individuals seek monetary gain, that this desire for monetary gain must be disappointed in most cases, and that therefore the persistence of gambling is irrational — either stupid or involuntary. It is often contended (or just assumed) that a rational person would never gamble. Gambling, on this interpretation, occurs only because gamblers fail to understand elementary probability theory, or, understanding it, cannot bring themselves to act upon it. The cliché that lotteries are "a voluntary tax on the stupid" echoes Sir William Petty (1623–1687), who argued for state management of lotteries on the grounds that the state already had the care of lunatics and idiots.

Gambling prohibitionists are always falling over themselves to "explain" (in the Lardnerian sense) that "gamblers must lose in the long run," that "the odds are stacked against the gambler," that "gamblers as a whole can only lose," and so forth. They pronounce these marvelous insights as though they were gems of wisdom which gamblers must have overlooked. And perhaps a tiny minority of gamblers have indeed missed these earth-shaking commonplaces — after all, people have been known to make silly mistakes in all departments of life, from music to marriage, so there's no reason why gambling should be immune. But I can't see any evidence that the general run of gamblers behave irrationally, or that they would stop gambling if they took a course in probability theory.<sup>12</sup>

### Is Gambling Unproductive *Ex Post*?

On the most straightforward level the lottery player gets precisely what he pays for: an equal chance with other players of netting a very large sum of money, of becoming rich. The anti-gambling ideologue, however, will press the point: objectively, the lottery player gets exactly what he pays for, but he is unable to evaluate it correctly,

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so he never gets what he believes he pays for. He does not appreciate how slim are his chances of becoming rich. His intuitive notion of his chance of winning is unrealistically high because of a peculiar mental defect.<sup>13</sup>

How does the anti-gambling preacher know that the lottery player over-rates his chances? Why don't we suppose that, on average, the player rates his chances exactly correctly?<sup>14</sup> Anti-gambling zealots reply that he then would never play the lottery! This argument is fatally circular and therefore worthless. Although anti-gambling zealots often insinuate that rational people would not gamble, there exists no serious argument for any such assumption.

The claim that the gambler overestimates his chances is usually asserted as a blind dogma, with no evidence offered. However, some anti-gambling propagandists mention, as though it were significant, the fact that the whole class of lottery players must lose on balance. In technical terms, playing the lottery is not a "fair" bet; the "expected value" of a lottery ticket is below the price of the ticket.<sup>15</sup>

The expenses of organizing a lottery have to be covered out of sales of

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*Lottery tickets are the janitor's cattle futures. To blame him for playing the lottery is like reproaching him for not having the good taste to drive a Ferrari.*

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tickets. Therefore, the amount returned in prizes is lower than the amount paid for tickets.<sup>16</sup> A technically "fair" lottery would be one in which the total prize money were equal to the total money paid for tickets. In such a lottery, what is called the "expected value" of a ticket would be the same as the ticket price. It is an error to suppose that this offers a criterion of rationality: that it must be irrational to play the lottery when the expected value is below the ticket price. That any such supposition is faulty can be seen upon a moment's reflection.<sup>17</sup>

The proportion of total ticket revenues returned in prizes from lotteries

is commonly around 60 percent, though it is sometimes more than 70 percent, and with some of the new state lotteries is little more than 50 percent.<sup>18</sup> If lotteries were purely private and open to competition, this figure would immediately rise to well over 90 percent<sup>19</sup> (except where particular lotteries were openly allied with charitable donation), but it could never reach 100 percent without the lottery's making a loss. Just suppose, however, that a lottery were subsidized, so that 105 percent of the prize money were returned in prizes. Would it then become rational always to buy lottery tickets, and irrational to fail to do so? If so, how many tickets? How much of one's income would it be obligatory, if one were rational, to allocate to lottery tickets? Suppose now that the lottery were hugely subsidized, so that, say, five times the ticket revenues were returned in prizes (but most entrants would still win nothing), what then? At what point, as we increased the subsidy to the lottery, would it become incumbent upon any rational person to buy a ticket?

There is no such point — though there would empirically be a point where the majority of people, or the majority of people with math degrees, would judge that one would have to be a lunatic not to buy at least one ticket. This kind of thing is a matter of personal preference, a matter of one's personality and worldview. It is "subjective" in the sense that there is no single demonstrably correct answer for any rational agent. Such judgments can be influenced by miscalculations or other mistakes, but if all mistakes were eliminated, there would remain a diversity of preferences. Given these preferences, one's behavior is also affected by objective circumstances like one's income.

A lottery player will usually prefer a lottery which returns 90 percent of the ticket revenues to one which returns only 80 percent. Therefore, some will be induced to play at 90 percent who would not play at 80 percent. But someone who plays the lottery buys a chance of being in for a big win, and there is no justification for the assumption that the individual's valuation of this chance, the amount of utility he derives from being aware of it, has to coincide with the "expected

value" of a lottery ticket (the prize money multiplied by the chance of winning). There are many cases where it clearly ought not to do so (for example, if the price of a ticket is one's entire income for the next few weeks, so that one will die of starvation unless one wins the prize, it would not be sensible to enter with a one-in-a-million chance of winning, even if the prize were so heavily subsidized that the expected value of a ticket were a thousand times the ticket price).

A rational person doesn't have to value a one-in-a-million chance of get-

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*Lottery players seem to understand the odds quite well — unlike the anti-gambling lobbyists, who demonstrate their innumeracy every time they open their mouths.*

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ting a million dollars at precisely one dollar. You may value such a chance at one cent or at five dollars — either way (though this may tell us something about your personality) there's nothing wrong with you.<sup>20</sup> However, assume for a moment that the "expected value" theory of rational gambling were correct. Suppose that you paid a dollar for a ticket giving you one chance in a million of winning \$700,000, with \$300,000 of ticket sales going to run the lottery and pay off the state. The expected value of your one-dollar ticket would be 70 cents. Only 30 cents would have to be explained by non-pecuniary elements (a sense of participation, giving something to a good cause, and so forth, or, if we want to indulge in flights of fancy, by "irrational compulsion" or "enhanced daydreaming"). It would follow that at least 70 cents out of each and every dollar spent on lottery tickets would indisputably be rationally allocated. Is this better or worse than the dollars spent on furniture or books? Casual discussion of the rationality of buying a ticket often tacitly assumes that "expected value" is the rule, but then proceeds as though the entire sum spent on tickets would be shown to be irrationally spent, when in fact (on the erroneous assumption that expected value should fix the

buyer's valuation of a ticket) only something less than half of the ticket price would then, arguably, be spent irrationally.

The fact that a lottery is not technically "fair" follows automatically from the fact that the costs of running the lottery have to be covered out of ticket sales, and is otherwise a complete red herring from which no conclusions about the rationality of the players may legitimately be drawn. It's a feature of any system for re-allocating existing endowments, such as a subscription to the March of Dimes: organizing a subscription costs something, so the total paid to beneficiaries must be less than the total contributed. This is ineluctable, and in no way sinister.<sup>21</sup> A lottery is simply a way in which a lot of people each put in a small sum, and then a few of those people picked at random get large sums. Nothing in the world could possibly be more harmless or more innocent than this.

### Is Insurance Irrational?

Insurance is a negative lottery. In buying insurance, we pay a small sum now to guard against the low probability of losing a large sum in the future, just as, with a lottery, we pay a small sum now to engineer a low probability of winning a large sum in the future. Insurance is always an unfair bet — much less fair than a competitively run lottery, because the costs of running an insurance company greatly exceed the costs of administering a lottery.

Do the ideologues who berate gamblers for their irrational shortsightedness also berate those who, for example, insure the contents of their houses against fire? Quite the contrary! This willingness to pay for insurance more (sometimes vastly more) than its "expected value" is lauded to the skies

as the epitome of responsible behavior. *Failure* to take *this* unfair bet is commonly considered thoroughly foolish and even irrational. In the debate over Hillary Clinton's health care plan, it was generally considered a self-evident scandal that an appreciable number of young, fit, comparatively high-income people chose not to buy health insurance, such a scandal that it warranted their being *compelled* to buy it — forced to make this extremely "unfair" bet.<sup>22</sup>

What goes for insurance goes also for precautionary outlays of a non-pecuniary kind, like wearing a car seat belt or getting a polio shot. In a typical recent diatribe against gambling, totally bereft of any serious thought and seething with the malignant compulsion to control other people's lives, one Robyn Gearey blasts the New York state lottery because, *inter alia*, the odds of winning a big prize are less than the odds of being struck by lightning.<sup>23</sup> Aside from the question of whether this is factually correct,<sup>24</sup> Gearey evidently believes that being struck by lightning is a negligibly unlikely event which shouldn't influence a rational person's plans, yet my guess is that Gearey does not inveigh with comparable enthusiasm against the installation of lightning rods.<sup>25</sup>

### Lottery Players Are Rational

Some months ago, a thousand-pound man was in the news. He had lain on his bed for years; his main physical exercise was calling the local deli to send round a few dozen sandwiches at a time. The medics had to knock down a wall to get him out of his house and carry him to the hospital.

It would not be sensible, in a discussion of whether to let individuals decide for themselves what to eat, to keep bringing up the case of this thousand-pound monster. Similarly, it would not be appropriate, in a discussion of whether to permit people to attend a church of their own choosing, to endlessly pontificate about the Heaven's Gate suicides.

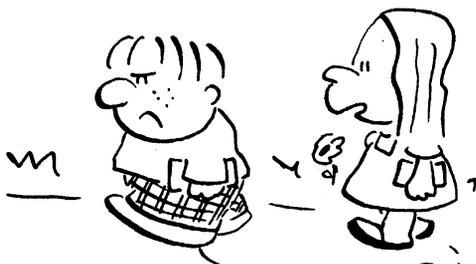
Yet just such irrelevance is the normal practice with anti-gambling bigots, who compulsively

prattle on and on about problem gamblers, people who gamble away their life savings and desert their families for the gaming tables. Such cases are a tiny proportion of gamblers, and most of the people who behave like this would behave just as badly if gambling did not exist. Typically, and overwhelmingly, gamblers practice strict self-discipline and moderation.<sup>26</sup> If they are on low incomes and play the lottery regularly, they often spend less than the price of a six-pack per week. Any freedom of any sort affords the opportunity for foolish behavior by a foolish minority, and that exceptional behavior can never justify clamping iron shackles on the overwhelming majority of people who are sensible and self-disciplined.

The allegation that gamblers are irrational can be tested.<sup>27</sup> We can look at their behavior for signs of irrationality. In all respects which I have seen reported, the vast majority of lottery players behave as if they were rational. They prefer games where the odds are better. (Everyone understands that, to maintain a viable state lottery, private lotteries have to be outlawed.) They bet only a small amount per week. When they win a big prize and become rich, they husband their winnings prudently.<sup>28</sup>

People play the lottery more if they have few other options with lottery-like qualities: the stock market, venture capitalism, an exciting career, a song-writing avocation.<sup>29</sup> Young, talented people with few commitments have many such options, and will respond rationally by playing the lottery rarely. A 55-year-old janitor with ten kids and no equity has hardly any options, and will respond rationally by playing the lottery more frequently. This is just what we observe; it fully corroborates the rationality of playing the lottery. Lottery tickets are the janitor's cattle futures. To blame him for playing the lottery is like reproaching him for not having the good taste to drive a Ferrari.

Lottery players seem to understand the odds quite well (unlike the anti-gambling lobbyists, who demonstrate their innumeracy every time they open their mouths); the players certainly do understand with perfect clarity that it is far more likely than not that if they play every week of their lives they will



"I told you algebra wasn't something to eat." Baloo

never win a big prize. They still think it is worth playing, and it is just ignorance to imagine that this judgment of theirs must rest upon a miscalculation.

Lottery players hold that it is better to have played and lost than never to have played at all. Who is to say that they are wrong? □

## Notes:

- For some of the evidence for these statements, see the summary in Reuven Brenner, with Gabrielle A. Brenner, *Gambling and Speculation: A Theory, A History, and a Future of Some Human Decisions* (Cambridge: Cambridge University Press, 1990), pp. 37–42. The current anti-gambling campaign has begotten a spate of bogus scholarly “studies” purporting to show that gambling has deleterious consequences for the culture and economy. This literature consists largely of the same writers quoting each other’s guesses about the evil effects of gambling, and passing these off as data. When one tracks down the ultimate sources in these works, one finds that they are often anecdotal impressions, for example: the opinions of people like Gamblers Anonymous activists. The methodology of this literature precludes the turning up of any findings other than those assumed at the outset. No studies with any semblance of rigor have yet confirmed the horrific fantasies of the anti-gambling ideologues.
- Paul A. Samuelson, *Economics: An Introductory Analysis*. Seventh edition (New York: McGraw-Hill, 1967), p. 409. Samuelson’s italics.
- The Luck Business: The Devastating Consequences and Broken Promises of America’s Gambling Explosion* (New York: The Free Press, 1995), passim. The term “cannibalization” seems to have arisen in business corporations, to denote new products which might take business away from a company’s existing lines. Its application to gambling is unhappy; the word seems to have been picked up as a vacuous but ominous-sounding instrument of abuse.
- Gambling is still severely regulated everywhere, so a state or city which simultaneously repealed all restrictions on private gambling would at once become a shining beacon of affluence. But the restrictive climate of opinion makes such a bold move politically unfeasible.
- As the anti-gambling enthusiasts succeed in repealing local legalizations, the process will go into reverse. Those localities which are slow to re-impose prohibition will begin to see big gains from visitors. The anti-gambling crusaders are keenly aware of this, hence their strategy of going for a “national gambling policy,” in which the federal government takes over the states’ and cities’ traditional role of regulating gambling.
- The first is now almost precisely reversed in the minds of many followers of Ross Perot and Patrick Buchanan: only the building of gadgets, preferably of metal, is considered truly productive. “Hamburger flipping” — providing meals for people — has become the very paradigm of unproductiveness.
- An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. Edwin Cannan (Chicago: University of Chicago Press, 1976), p. 352.
- Brenner, pp. 20–21. Brenner’s is the best book ever written on gambling. Although I agree with nearly all of Brenner’s criticisms of orthodox opinion on gambling, I reject the lynchpin of his own theory: that non-recreational gambling occurs only because people crave an increase specifically in their *relative* income, independent of their desire for an absolute increase in income.
- Where there is recreational gambling with some skill involved, a resourceful player may win in the long run. There is no reason why the “house” or the “bookie” would necessarily object to some players making consistent gains. The majority of recreational gamblers, whose interest in winning is less predominant, or whose skill is unremarkable, ultimately pay for the winnings of the prize-winners and the gains of the “house.” This majority may still be “ahead” in non-pecuniary terms, in the enjoyment they derive from playing. In utility terms, which is all that matters, everybody may be a net winner. An interesting case is that of blackjack, where there is a sure-fire method of winning consistently. Although the existence of this method is very widely known, most blackjack players don’t bother to learn it (which takes a few weeks of intensive study), so casinos go on offering a game which they are bound to lose in the long run to any customers who apply the method. See the discussion of this in Willem Albert Wagenaar, *Paradoxes of Gambling Behavior* (Hove, England: Erlbaum, 1988), an interesting book which, however, like so many, never for a moment questions the reigning dogma that gamblers’ motivations must involve irrationality.
- Some writers castigate gambling because there is no “value added.” This displays a misunderstanding. Gambling itself occupies the final stage of production: it’s a consumer activity, like watching TV or jogging. Manufacturing TV sets, jogging shoes, casinos, lottery tickets, or roulette wheels “adds value.” Incidentally, gamblers watch less TV than non-gamblers, though they read more, go to the opera and museums more often, and are more sociable (Brenner, p. 38).
- Alternatively, the proponent of the irrationality of the lottery might agree that playing is productive both *ex ante* and *ex post*, but insist that the *ex post* judgment is necessarily based on error. The refutation of this position is along similar lines.
- “Rationality” is a term with a range of senses. I do not use the term here in a sense so weak that any deliberate action, however foolish, would count as rational, nor in a sense so strong that any intellectual mistake would suffice for irrationality. My use of the term here covers any demonstrable mistake which, once understood, would necessarily cause the individual to stop gambling. Gambling is like piloting airplanes: the individuals involved may not always compute everything to perfection, but the very pursuit of the activity in question is not, I am claiming, typically dependent on error.
- The case of a lottery is unusual, because we cannot simply ask the individual what he thinks of the outcome after it has appeared. The fact that the player has not won does not prove that he was wrong to play (any more than the fact that a person wins proves that he was right to play): the player knew all along, of course, that he very probably would not win.
- In view of recent evidence that smokers generally *overestimate* the health risks of smoking, we may suspect that lottery players underestimate their chances of winning. The smug, mindless propaganda of anti-smoking bigotry and anti-gambling bigotry, spraying over us day after day from all the major media, with no thought of “equal time” for dissidents, may well be reducing aggregate social utility by causing some people at the margins to misguidedly give up smoking or gambling. The clout of the tobacco industry or the gambling industry, which these bigots routinely revile, is as gossamer compared with the clout of the belligerent prohibitionist lobby.
- “Fair bet” and “expected value” are technical terms. They have nothing to do with the vernacular sense of these words. An “unfair” bet may be entirely fair, or vice versa, while an “expected value” is not what anybody expects.
- Under free competition, the return to investors in all industries, including gambling, will be roughly the same, on average, as the rate of interest.

17. Consider whether you would rather have a dollar or a one-in-50,000 chance of \$50,000. The one thing you will not say is that you can see no difference between these options, that you are indifferent between them. But once a difference in the valuation of these two outcomes is acknowledged, it automatically follows that it may be rational to give up one in exchange for the other.
18. Anti-gambling preachers frequently include in the "costs" of gambling all of the money spent by gamblers, without subtracting the distributed winnings, which at a stroke multiplies the supposed costs several-fold. This is not willful deceit, just the normal intellectual laziness of these anti-gambling tub-thumpers.
19. About 95 percent of the money wagered in Las Vegas casinos is returned as winnings. An appreciable chunk of the remaining five percent goes in taxes.
20. If someone you loved desperately could be saved from a painful and potentially fatal disease only by getting a million dollars, and the only possible way to get a million dollars were to play the lottery, wouldn't you play? Of course you would: it would be contemptible not to do so. The principle is not altered if the person you love so much is yourself, and the disease is not being rich.
21. A lottery is very much like a charitable subscription, and may partake of some of its motivation. Begin with the benevolent idea that you would like someone on a low income to become rich, add the random selection of that person, and you have a lottery which might take place even under pure altruism. (The player would have to make himself eligible for a prize in order not to deny the other participants their share of altruistic utility; restricting the prizes to those who have entered would be justified by the consideration that some minimal level of goodwill, some spark of human decency, would be necessary to qualify. The fact that winners stop playing would be explained by the fact that they can now afford superior ways of being helpful to others.) The altruistic theory of the lottery would explain why players who never win rarely show any resentment against winners, but rather evince sympathetic delight.
22. Some theorists have considered it puzzling that many people both insure themselves against risks and play the lottery. Various solutions have been offered to this supposed paradox. But there is no paradox. It is consistent for a person to pay a small amount to greatly reduce the already small likelihood of a big drop in income and simultaneously to pay a small amount to greatly increase the very small likelihood of a big rise in income. (It is sometimes claimed that the position I take here implies that the rich would not "gamble," and that it is therefore refuted by the fact that the rich do "gamble." But the rich do not play the lottery, a fact of which socialist opponents of the lottery as a devilish capitalist exploitation device remind us *ad nauseam*. The rich gamble recreationally; that's a different matter.)
23. "The Numbers Game," *The New Republic*, May 19th, 1997.
24. The only way to defend this claim would be to suppose that Gearey was comparing, say, one's chance of being struck by lightning in a whole year with one's chances of making a big win by the purchase of one ticket. This would be deceptive in light of Gearey's evident reliance on the stereotype of someone who plays the lottery habitually and heavily. A quick exercise with a pocket calculator will give us some rough idea of the comparison. One estimate of a U.S. resident's chance of being struck by lightning in one year is 606,944 to 1 against (Heron House, *The Odds on Virtually Everything* [New York: Putnam's, 1980], p. 181). This means a probability of 1 in 606,945, or .000001648. Suppose a lottery in which a ticket costs \$1, each ticket is entered for 1 draw, exactly half the ticket money is distributed in prizes, and each prize is \$250,000. The probability of one ticket's winning is then 1 in 500,000, decidedly better than being struck by lightning. Suppose instead that every prize is \$500,000; it follows that the chance of winning must be 1 in a million. Now you have to buy two tickets to make the probability of your winning a prize better than the probability of being struck by lightning. If every prize is \$5 million, you need to buy 17 tickets, and if every prize is \$10 million, you need to buy 33 tickets to improve upon your chance of being struck by lightning. Of course, the picture is complicated by a range of different prizes, and by other factors, but it's clear that anyone who buys several tickets a month for a year has much better prospects than someone who hopes to collect the insurance on being struck by lightning.
25. The main thrust of Gearey's piece is that the New York State Lottery is described misleadingly by its promoters, which is doubtless true — it is, after all, an arm of the government. Yet her very article is filled with misrepresentations, beginning with the line at the top of the first page: "The Lottery: Ticket to Poverty." One only has to substitute some other item of working-class expenditure ("Video Rentals: Ticket to Poverty") to see the utter mendacity of this phrase. Gearey says people play because they believe the state's lies that playing the lottery might really lift them from poverty or drudgery" (p. 19). It's a fact well known to Gearey that the lottery not only *might* really lift players from poverty or drudgery but regularly does so. Gearey is so emotionally disturbed by her irrational hatred of ordinary people spending their money as they choose to spend it that she does not balk even at the most ridiculous falsehoods.
26. Brenner, pp. 37–42
27. Abt and her colleagues summarize the research findings as follows: "Observations in a wide variety of times and places have shown that gamblers are realistically aware of their chances of winning and conduct their wagering with deliberation and disciplined concentration" (Vicki Abt, et al., *The Business of Risk: Commercial Gambling in Mainstream America* [Lawrence: University of Kansas Press, 1985], p. 11).
28. Brenner, pp. 42–44
29. The government has effectively eliminated high-risk, high-return opportunities for low-income people, such as the old "bucket shops," which enabled people to speculate on price fluctuations with only a few dollars' outlay.

## "LEGAL TENDER?"

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# Circus Taximus

by Michelle Malkin

In Rome, the rich subsidized sports to keep the poor quiet.  
In Seattle, they've turned it around.

Shah Jahan, the Mughal emperor who ordered construction of the Taj Mahal, shamelessly exploited his subjects in pursuit of private indulgence. At least he had an excuse. He was, as we moderns now describe it, "working through his grief" over the death of his favorite wife. With public financing firmly in hand, the widower Jahan squandered 22 years, 20,000 workers, and 40 million rupees to build his marble monument of eternal love.

Three centuries later, Microsoft mogul Paul Allen — with permission from 51 percent of Washington state's voters and backing from both the Democratic and the Republican political establishments — will ransack taxpayers' pockets to fund his high-tech, open-air \$425 million football monument. Allen draped his unprecedented special ballot campaign with an egalitarian cloak. (It's "our" stadium. A palace for "future generations." An investment for the Public Good.) But the billionaire Allen's naked tax grab is as exploitative and immoral as the emperor Jahan's. Don't expect it to last as long, however: the stadium that will be torn down for the new football-palace was erected less than three decades ago. Taxpayers still haven't finished paying for it.

What exactly will participants in this "public-private partnership" get for their investment? Some partners, it turns out, are more equal than others. Allen bought the Seattle Seahawks and will chip in one-quarter of the sta-

dium costs; taxpayers will foot the rest of the bill. Actual users and fans will pay a mere 16 percent of the public's portion of construction costs through stadium parking and admissions taxes. The rest will come from diverting existing taxes, lottery profits, and an increase in hotel-motel taxes.

Taxpayers pay the lion's share of the cost, but Allen will receive 80 percent of the profits from the stadium, plus *all* revenues from personal seat licenses, luxury suite sales, television rights, and advertising. Taxpayers won't get a check in the mail — but they will reap those intangible, immeasurable dividends of Civic Pride, Team Spirit, and World-Class Bragging Rights.

Ah, the benefits of government-coerced ownership.

This subsidized stadium madness has been sweeping the country. Since 1990, more than two dozen sports stadiums and arenas have been built in the United States and Canada. Five communities (Baltimore, Cincinnati, Cleveland, St. Louis, and Nashville) have ponied up at least \$250 million each for luxurious athletic venues. Earlier this spring, Seattle broke

ground on a publicly-subsidized, \$414 million retractable-roofed ballpark.

Like all sports boosters, Allen's cheerleading squad, a shadowy outfit called Football Northwest, claimed there would be "real adverse impacts on the local economy" if the Seahawks left the state. But the pom-pom wavers neglected to mention the "substitution effect." It's simple: people have only so much income that they will spend on recreational activities. If they go to a ballgame, it generally means that they are not spending the same dollars locally to go to the theater, movies, skating rink, etc. Each dollar spent at the sports event usually replaces the dollar spent elsewhere in the local economy. The net spending impact is nil.

Baltimore's Oriole Park in Camden Yards is the most oft-cited example of a successful public investment. The stadium has generated new jobs — but at a cost to taxpayers of some \$127,000 per job. Economist Bruce Hamilton of Johns Hopkins University estimates the state will lose \$11 million a year on the deal.

When the economic arguments fall apart, the boosters start crowing

about civic spirit: save the [fill-in-the-blanks]! They're losing money; they've brought us immeasurable joy; a decent stadium is the least we could give back. Alarmist cries of financial hemorrhaging led legislators in Olympia to save the Mariners with a half-billion-dollar park. When a business gets a new subsidy, its value skyrockets: between 1976 and 1992, the value of the Seattle baseball team increased some 1,300 percent.

Capitalism is grand, but this frenzy of sports corporate welfare giveaways should put any honest businessman to shame. The entrepreneurial spirit felt by players and team owners would be praiseworthy if it weren't for the fact that less-well-off taxpayers are being continually asked to provide them mil-

lions in subsidies through the financing of luxurious new stadiums. As ABC's John Stossel summed it up in a televised confrontation earlier this year with Jerry Reinsdorf, owner of the Chicago Bulls and White Sox: "You're a freeloader. You're taking money from poor taxpayers to make you, a rich guy, richer."

Here in Washington, Allen's obsequious poobahs accused critics of engaging in class warfare and wealth-bashing. Nonsense. I am all for the kind of free-market competition that made Paul Allen a rich man in the first place. What stinks is Allen's support for a civic charade whose primary objective was to distort market forces and manipulate government policy so that the many pay for the

preferences of the few.

Once upon a time, in less democratic civilizations, an emperor's wish was an unquestioned entitlement. Nothing was more important than what the ruler decreed was important to him. Ignore thy hunger. Abandon thy children. The Taj Mahal must be built!

Times change. Today, when an individual billionaire businessman calls on taxpayers to subsidize his private wishes, it is more than a romantic indulgence. It is a campaign for corporate welfare. And when such campaigns across the country insist on making absolutely false claims about who pays and who loses, impudent voters must treat it for what it really is: a royal fraud. □

## Letters, continued from page 5

enough people would voluntarily provide all the disabled and unemployed with care and three meals a day — it may be true, but we shouldn't take it for granted."

But following the same reasoning, should we assume that people will choose the right religions? Drugs? Prices? Spouses? Bedtimes? I can imagine people erring in all these responsibilities. But I will not join in suggesting that "we" have a problem here.

Unfortunately, the strongest bond which joins libertarians seems to be negative. We share a common complaint: too much state. But I like to think that we must share a positive bond as well: a belief in voluntary order. We can bet that people will invent voluntary ways and organizations to solve almost every problem imaginable. Those voluntary ways are normally more complex and more difficult to imagine. But they perform, in the long run, better than ways that rely upon coercion.

Richard O. Hammer  
Hillsborough, N.C.

### Alas, Poor Ronnie

Ralph Raico's July item on Al Gore ("Tuition Bills of the Rich and Murderous," July 1997) notes that crypto-Bolshevik businessman Armand Hammer was Gore's honored guest at Reagan's 1981 inauguration, but that "Reagan, evidently informed of what was going on, gave Hammer

the cold shoulder."

Good for Reagan. But on December 8, 1987, Armand Hammer was an honored guest at Reagan's White House dinner for Gorbachev. Reagan, by then evidently not informed about what was going on by the unprincipled accommodationists managing his life, gave Hammer a warm welcome.

*Sic transit gloria mundi.*

John McClaughry  
Kirby, Vt.

### Paper Tiger

It is interesting to examine Bruce Ramsey's argument against the gold standard ("I'll Settle for Paper," July 1997) in light of another article in the same issue of *Liberty*, Watson and Walters' report ("The Death of Central Banking") on the new economics.

Under a system of fiat currency and its inevitable inflation, lenders demand higher interest rates because they expect their future dollars to be worth less, and borrowers are willing to pay those rates for the same reason. Under a true gold standard, a prospective borrower faces the reality that loan payments fixed in nominal value actually rise in real value. He knows that a nominally fixed payment actually costs him dearer over time, and will adjust his plans accordingly. The market will fix interest rates according to that expectation, and innovators as always will devise new ways to structure loans to help it along.

Ramsey's proposition that deflation increases the risk of loan defaults fails the Lucas critique by assuming that borrowers form an irrational expectation about the future: that loan payments of fixed nominal value will remain fixed in real value.

Similarly, it assumes that the lenders don't understand this either, for what lender would originate a loan that he expects to default? Presumably a lender with a given risk tolerance in an inflationary economy would have the same risk tolerance in a deflationary economy and would act in such a way as to achieve that level of risk.

Ramsey's suggestion that it would "raise all kinds of hell" for employers to cut pay, or for tenants to demand lower rents from time to time, suffers the same way. Under our current system, it is almost a given that one's landlord will raise the rent every year, but the landlord knows that if he raises it too far above the equilibrium price his tenant will find a cheaper or better place and move out. Under a gold standard with continual deflation, the landlord expects rents to fall and knows, therefore, that his tenant will take a hike if he does not remain competitive. In either case, both landlord and tenant behave according to their rational expectations, and the same holds for employers and employees.

Samuel McKee  
Yellow Springs, Ohio

## Profile

# A Rebel and a Drummer

*by Scott Bullock*

Rush's outspoken individualist drummer talks to *Liberty's* interviewer about Ayn Rand, his left-wing critics, and the pleasures of not selling out.

Mention that you like Rush to a libertarian or conservative between the ages of 25 and 40, and you might be surprised at the response. Rather than immediately assume you are talking about a tubby right-wing radio commentator, the person will likely think you mean a hard rock power trio from Canada whose songs have vigorously defended individualism and technology for over 20 years.

With no Top-40 or MTV exposure, Rush — guitarist Alex Lifeson, bass player and vocalist Geddy Lee, and drummer Neil Peart — has nevertheless built up an enormous fan base. Its last 16 albums have gone gold or platinum, and the group is one of the most successful and enduring live acts. Rush has a strong allegiance among young people tired of the nearly monolithic leftward slant of rock groups. Even a cursory listen to Rush will explain its attraction. As Bill Banasiewicz said in *Visions*, his biography of Rush, the main interest of the group throughout its career, in addition to making great music, has been in promoting human freedom.

The band released its first album in 1974, chock-full of Led Zeppelin-like guitar riffing, vocal wailing, and pedestrian lyrics. Things got much better by the second album with the addition of drummer Neil Peart. Not only did Peart bring an exciting rhythmic influence to the band, he also became the group's lyricist.

Peart's lyrics were a surprising change of pace, and unique in the annals of rock. At that time most rock lyrics fit into one of three categories: collectivist, left-wing political songs, maudlin singer-songwriter fare, or macabre heavy-metal posing. While some of Peart's musings resembled the science fiction-fueled sagas popularized by Yes, Genesis, and other progressive rock groups, Peart's main inspiration was novelist and philosopher Ayn Rand. Indeed, Rush's epic 1976 album, *2112*, was inspired by Rand's novel *Anthem*, a dystopian tale of one man's struggle to revive individualism in a world so collectivist that even the word "I" is prohibited. In the liner notes to the album, Peart sets forth his appreciation for "the genius of Ayn Rand." Peart had actually sig-

nalled his interest in Rand in 1975's *Fly by Night*. In that album's "Anthem," Peart writes:

I know they always told you  
Selfishness was wrong  
But it was for me, not you  
I came to write this song.

Rand's influence and philosophy is evident in numerous other Rush songs, including many that have become FM rock staples. Peart's lyric for "Free Will" neatly sums up the victim mentality of many alternative rock bands (and fans):

There are those who think that  
They've been dealt a losing hand . . .  
All pre-ordained  
A prisoner in chains  
A victim of venomous fate.

Here Peart could have been writing about Billy Corgan of Smashing Pumpkins, who screams "Despite all my rage/ I am still just a rat in a cage." But the Rush song rejects this sense of helplessness, insisting that

You can choose a ready guide  
In some celestial voice  
If you choose not to decide  
You still have made a choice  
You can choose from phantom fears  
And kindness that can kill  
I will choose a path that's clear  
I will choose free will.

(from *Permanent Waves* [1980])

In the early 1980s (and even today on album-oriented rock stations), it was hard to escape Rush's best known song, "Tom Sawyer," from 1981's *Moving Pictures* album. Transforming Twain's young individualist into a "modern-day warrior," the song celebrates maintaining one's independence and inquisitive spirit in an increasingly collectivist world. The song contains perhaps the most Randian nugget in all Rush songs: "His mind is not for rent/ To any god or government."

Rush's response to their increasing fame was the majestic "Limelight," also from *Moving Pictures*. Rather than whine about how rough it is being a rock star, the song takes a clear-headed approach to dealing with the pressures and temptations of stardom. While admitting that "living on a lighted stage approaches the unreal," one must nevertheless put aside alienation and all of the other bogus complaints of rock stars, and "get on with the fascination" of making music. (If only Kurt Cobain had listened.) Driving home the point, the song features a blazing guitar riff and an electrifying solo by Alex Lifeson.

All these songs represent the band's most successful period, 1980 to 1984, when they transformed their style from sometimes meandering progressive rock suites to catchier, more tightly crafted songs. Nowhere is this new approach more evident than in the first song from *Permanent Waves*, "The Spirit of Radio," which was also literally the first song released in the 1980s, on January 1,

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*Peart describes himself as a "left-wing libertarian," noting that he could never be a conservative due to the right's support of censorship and intolerance.*

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1980. Hearing it in the car, amidst late '70s disco dreck, was a welcome shock, and instantly made fans of many who had overlooked the less radio-friendly Rush songs of the '70s. The song has an insistent, muscular sound that fairly leaps from a car stereo, and is itself a paean to radio, and to the sheer exhilaration of driving a car with a great song coming over the airwaves.

The song represents another consistent theme of Rush — an appreciation and defense of science and technology. While many rock songs bemoan progress and technological advancement, Rush uniquely embraces science, space exploration (most notably in "Countdown," from *Signals*), and, on the band's latest album (albeit with some reservations), the Internet and global communication.

"The Spirit of Radio" also represents, however, a certain ambivalence in Peart's philosophy. Although his lyrics almost always affirm individualism, several reveal a degree of suspicion about a fundamental tenet of Rand's philosophy of "Objectivism" — its belief in the morality of commerce. "The Spirit of Radio" glorifies the technology of radio, but it also rails against the corruption of this bright medium by, of all people, "salesmen!" (sung in one of Geddy Lee's patented shrieks). In "Natural Science," from the same album, Peart states his belief that ultimately "art as expression/not as market campaigns/will still capture our imaginations."

Peart, a thoughtful, self-educated man, was introduced to Objectivism by reading *The Fountainhead* while a teenager. When he was 18, Peart moved from Canada to England to pursue a music career; but unlike most of his peers, he never viewed music as a "mercenary endeavor." Music, to Peart, is pure expression, and to play only for a paycheck is "prostitution" and "pretty evil." He worked a day job to support himself, and played only music he loved. It's little wonder that

he was so entranced by *The Fountainhead*. As Peart commented in an interview with me, speaking from his home in Toronto, Howard Roark, the book's hero, affirms the principles of integrity, individualism, and self-reliance by which Peart was already seeking to fashion his own life.

Howard Roark stood as a role model for me — as exactly the way I already was living. Even at that tender age [18] I already felt that. And it was intuitive or instinctive or inbred stubbornness or whatever; but I had already made those choices and suffered for them.

Shortly after Peart joined Rush, the group faced a crisis. Rush's first three records had sold fairly well, but the record company wanted more and pressured the group to change its style. Consultants were brought in, and Rush was on the verge of "selling out" to make its music more marketable. After much debate and tension within the band, and between the record company and Rush's management, the group members decided to stick to their artistic visions and reject the advice of their would-be handlers. The result was *2112*, a very successful album that both increased Rush's reputation and record sales, and vindicated Peart's artistic vision. So it isn't surprising that Peart expresses some hostility toward salesmen, marketers, or anyone else who would undermine artistic integrity.

The dilemma faced by Rush in the mid-1970s reflects a certain tension in Rand's philosophy — between her insistence on integrity and individualism on the one hand, and the demands of the marketplace on the other. After all, businesses are in a certain sense slaves to the preferences and desires of others (a fact often overlooked by those on the left). If the consumer does not like its products, a business fails, no matter how principled the capitalist or excellent his offerings.

Of course, Rand never claimed that making money (or selling records) should be the ultimate aim of an entrepreneur (although certainly he is entitled to the money he makes). Rather, a businessperson, artist, scientist, or musician should realize his own dreams and ambitions by adhering to the highest standard possible. Hopefully, others will appreciate quality and be willing to pay for it. If not, then the individual still keeps his integrity. And Peart doesn't attack capitalism so much as he criticizes anyone, inside or outside the business world, who would try to stop an individual from achieving his vision.

"Subdivisions" (1982) also seems to attack one of the crowning achievements of modern capitalism, the suburbs. Long a target of leftist culture critics, suburbs are generally defended by free marketeers as a place where the working class can gain a modicum of comfort and independence unknown in pre-capitalist or socialist societies. Peart, however, sees the 'burbs quite differently:

Sprawling on the fringes of the city  
 In geometric order  
 An insulated border  
 In between the bright lights  
 And the far unlit unknown.  
 Growing up it all seems so one-sided  
 Opinions all provided  
 The future pre-decided  
 Detached and subdivided

In the mass production zone.  
 Nowhere is the dreamer  
 Or the misfit so alone.  
 Subdivisions —  
 In the high school halls  
 In the shopping malls  
 Conform or be cast out . . .  
 Any escape might help to smooth  
 The unattractive truth  
 But the suburbs have no charms to soothe  
 The restless dreams of youth.  
 (from *Signals*)

To Peart, the suburbs can crush individuality. But is this a repudiation of Objectivism? Most Objectivists and libertarians, and even some conservatives, share Peart's thoughtful skepticism toward mass culture. We may defend suburbs, strip malls, and a Boston Market on every block, but we truly glorify the upstart entrepreneur, the non-conforming artist, and others who challenge conventional wisdom and powerful institutions (many of which are dominated today by the left).

Furthermore, though he loathes the suburbs, Peart writes tributes to cities:

The buildings are lost  
 In their limitless rise  
 My feet catch the pulse and the purposeful  
 stride  
 I feel the sense of possibilities  
 I feel the wrench of hard realities  
 The focus is sharp in the city.  
 ("The Camera Eye" from *Moving  
 Pictures* [1981])

Rand would probably not have objected to Peart's contrast between subdivisions and cities. She lived in and glorified Manhattan, not Westchester County.

For long-time observers of Rush, it is clear that Peart has drifted from his more obvious attachments to Objectivism. The more overtly Randian references in Peart's lyrics have dwindled. *Power Windows* (1985) even contains a song called "Mystic Rhythms," in which Peart takes an almost worshipful, animistic view of nature. On Rush's latest album, he seems to attack the West for supposedly causing Third World poverty:

Half the world cares  
 While half the world is wasting the day  
 Half the world shares  
 While half the world is stealing away.  
 ("Half the World," from *Test for Echo*  
 [1996])

But Peart says that he has few problems with Rand's philosophy, citing only two specific areas of disagreement. Contrary to Rand's rejection of any form of government welfare, Peart supports a safety net for those in need. Although he would prefer that welfare be funded voluntarily, he is not convinced that private charity alone could support the truly needy. Also, Peart was turned off by Rand's attacks on hippies and Woodstock:

I always loved machines, and I always loved the workings  
 of mankind in making things. I stayed up all night to watch  
 the Apollo moon landing, and at the same time I was just as

excited by Woodstock. There is in fact no division there. In both cases you're talking about the things that people make and do. So I didn't see any division, but of course Rand did, in seeing us all as the unwashed Bohemian hordes.

Although Peart is now inclined to write off Rand's hostility toward the Woodstock kids as a "generational thing," it was her essay on Woodstock and rock music which forced him to realize that he did not agree with Rand on every issue.

That was when I started to not become a Randroid, and started to part from being a true believer. I realized that there were certain elements of her thinking and work that were affirming for me, and others that weren't. That's an important thing for any young idealist to discover — that you are still your own person.

Over the years, Peart has made fewer direct references to Rand, and he admits that one cause of the decline has been

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*"So I didn't see any division between the  
 Apollo moonshot and Woodstock, but of course  
 Rand did, in seeing us all as the unwashed  
 Bohemian hordes."*

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the intense hostility such sentiments have evoked among rock critics, especially in Britain:

There was a remarkable backlash, especially from the English press — this being the late seventies, when collectivism was still in style, especially among journalists. They were calling us "junior fascists" and "Hitler lovers." It was a total shock to me.

Flip through any Rush review from the '70s and early '80s, and you're likely to find a reference to the supposedly fascist overtones in Rush lyrics — invariably in reaction to Peart's admiration for Rand. Peart says he was "shocked, stunned, and wounded" that people could equate adherence to individualism, self-reliance, and liberty with fascism or dictatorship. This savage reaction awakened Peart to a "polarity" between Rand's philosophy and that of critics.

For me, religion is life, and nothing else is worth living or dying for — or killing other people for. But a large part of the world is convinced otherwise, so you tend to just allude to it in writing, but shut up about it when you're in an intolerant group. You know, the Salman Rushdie lesson.

Convinced that he should stop sending up "flares" by directly referencing Rand, Peart worked to incorporate her ideas in a more subtle manner. The Randian elements in such songs as "Tom Sawyer," "Free Will," and the more recent "Mission" (from 1987's *Hold Your Fire*) are far more effective than the heavy-handed style of "Anthem" and *2112*. This movement away from hard-core Randianism paralleled Peart's rejection of involvement in the organized movement:

In the late seventies I subscribed to the *Objectivist Forum* for awhile. And it could be such a beautiful thing, it could be like a breath of fresh air coming in the mailbox. But it became petty and divisive and also factionalized. . . . I tend to stay away from it [now]. It's in the nature of the individualist ethos that you don't want to be co-opted.

[Also], the ones most devoted to the cause are the ones

*continued on page 46*

# The Pest of the Alternative Press

by Brian Doherty

The *Reader's Digest* of the left is hard to digest.

In times when thoughtful and informative left-wing magazines find it hard to top the 100,000-circulation mark, one unabashedly leftist magazine thrives. The *Utne Reader* claims a circulation of 300,000, three times that of the *Nation*. *Utne* is largely a reprint magazine, and proudly calls itself

the "best of the alternative press." It offers the implicit promise of being the one lens through which its readership need view the world, a *Reader's Digest* for self-styled progressives.

*Utne* is named for its founder, Eric Utne, who avoids directly stating the magazine's ideology, claiming only that his magazine endorses activism and eschews dogmatism. But like most who loudly declare their resistance to dogmatism, *Utne's* stance on most matters is both obvious and predictable.

From its first issue in 1983, the magazine has focused largely on the green movement and on personal growth issues appealing to an aging progressive bourgeoisie. Thus, though the magazine rarely writes about food per se, it has a special circulation emphasis on health food stores. This should tell you much of what you need to know about its intended readership.

## The Utne Visionaries

In 1995, *Utne* inaugurated a new design with a feature it was especially proud of: a list of "100 Visionaries Who Could Change Your Life." (The feature was so popular that it has

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since become an annual rite, complete with reader suggestions.) What could change your life, *Utne*-style? Uninformed, mushy, credulous new ageism, pick your brand.

*Utne* asked its 1995 visionaries what they were "thinking and obsessing about these days," and invited readers to respond in kind. (My job similarly requires me to read a political/cultural magazine's mail, and I know it's not fair to judge a magazine by a random cross section of the mail people throw its way. But *Utne* chose to print these responses.) The readers' responses are alternately disturbing, depressing, and pathetic:

"Is there any evidence that my meditations on world peace are having any effect?"

"Is an affair worth it? Resolved: No! or, maybe yes. Probably. Wait..."

"The one thing I can't get away from is feeling lonely all the time."

"I would say the biggest problem in my mind... [is] how I'm going to destroy patriarchy."

"If men bled, would tampons be free?"

"Is it possible to participate in the

American economy (driven by consumption, expansion, and a myth of corporate progress) and still live up to the ideals we teach our children and claim as our own (honesty, fairness, responsibility, accountability)?"

"Should I give in and have just a little bit of plastic surgery on my next vacation?"

"I'm 44 years old. No mate; no kids; I sleep with my dog. What happened?"

Those quotes, horrifyingly, are a fair representation of *Utne's* tone and concerns: reflexive radicalism, goofy spiritualism, a yuppie's worried conscience, and an earnestness that leaves little room for wit or lively writing.

I don't mean to mock the obviously deep pain these people are suffering, pain too deep for them to make sense of. I do mean to question the intellectual value of turning a magazine that sells itself as the best of the alternative press into a place for helpless mewling, merely for the dubious therapeutic value of letting people mewl. And mewling is, unfortunately, a dominant tone in much of *Utne*, from tales of people so sensitive

to their environment that they can't touch ink, to dozens of pages of painfully self-absorbed chin-scratching about whether we, in the world of *Utne*, are really grown-up yet.

Consider in this regard a selection of cover story topics from the past year: in September 1996, the magazine's cover advised readers to "Just Quit!"; by March 1997, that must have appeared too drastic, and readers were advised merely to "Slow Down" with the help of a guide to "Finding Your Natural Rhythm in a Speed-Crazed World." In between, in February 1997, *Utne* had a cover story on "Therapy: Healing our Culture, Healing Ourselves" — a curiously explicit focus on the magazine's constant underlying reality, as if *National Review* were to run a cover story headlined "Why the Republicans Are Better Than the Democrats."

When the magazine broke tone from sensitivity to make room for a zesty and hilarious piece from the indie rock-zine *Motorbooty*, mocking the literary efforts of rock stars, a reader huffed into the letter page, re-establishing the *Utne* order. The let-

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*Among Utne visionaries, there's hardly anyone who does anything other than writing or talking, and almost no one who thinks or writes about a discipline that requires much beyond nebulous blather.*

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ter's author, from Bowling Green State University, accused the writers of this obviously humorous piece of "not having sought the facts about how and why these works were written."

*Utne's* visionaries often make their living exhorting about ecology, psychology, sociology, or "gender issues." But most frequently they market superstitions of the Eastern, or quasi-Eastern, varieties. They are spiritualists, theologians, Buddhist visionaries. In a different time and place, they would be mulcting rich widows with bogus messages from their dead husbands. Nowadays, their speculations are written up in books that sell tens of

thousands of copies. An egregious example is Andrew Harvey, a "spiritual" writer whose claim to visionary-hood is having worshipped a string of different gurus over the years. And *Utne's* non-superstitious contributors are, if anything, even more removed from American reality than their nouveau-spiritual comrades-in-ink: they are hip-hop journalists, cultural liberationists, performance artists, Spike Lee — undifferentiated gasbags of all sorts. Among *Utne* visionaries, there's hardly anyone who does anything other than writing or talking, and almost no one who thinks or writes about a discipline that requires much beyond nebulous blather.

### God and Man at *Utne*

Curiously, *Utne* turns a blind eye to mainline American religion. Christianity offers almost everything a non-prejudiced reader might assume is involved in the ideal *Utne* social vision. It can provide its adherents a thriving and caring community, based in ancient spiritual values, and it rejects materialism as the primary aim of life. But rather than respecting, or even acknowledging, Christianity's power or influence as a force for Utneish change in American life (last time I checked there were still more self-identified Christians than pagans in the United States), *Utne* reprinted in May/June 1995 an article by Marc Cooper from the *Nation*, mongering fear of a fundamentalist takeover in Colorado Springs. Perhaps Christianity demands too rigorous a discipline for the *Utne* mind, or maybe it's just too old-fashioned, too much the religion of last generation's bourgeoisie. Thus, though the magazine often expresses love for old things (urban designs, technologies, economic structures), it rejects the entire social milieu in which they were created.

It's hard to be polite about the *Utne Reader's* biggest problem. Its terribly earnest features are very often, well, bone-dumb. In his July/August 1995 "Editor's Note," Eric Utne himself discusses the ideas of one of their Top 100 visionaries, psychologist Robert Jay Lifton, whose brilliance lies in his concept of the "protean self": a self, whatever that means, that is "fluid and flexible" yet "struggles for authenticity" (this is a typical example of *Utne's*

level of conceptual rigor). *Utne* explains that "Proteans can laugh with David Letterman's cynical humor one moment, and invoke divine guidance from elves and fairies the next." You'd best go out for a doughnut at that point.

When *Utne* gets its bevy of brilliant visionary minds together to ask them probing, important questions, what it comes up with is: "Where is the darkness? Where is the light?" (July/August 1995). This sort of fustian isn't designed to provoke pithy or useful responses, and indeed it doesn't. Answering the question, activist Terry Tempest Williams urges us to "dare to extend our notion of community to

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*It's hard to be polite about the Utne Reader's biggest problem. Its terribly earnest features are very often, well, bone-dumb.*

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include all life forms: plants, animals, rocks, rivers, and human beings."

The 1996 visionaries (March/April 1996) offer little better. We need to develop a science of ecstasy, they say, as well as a science of sacred invitation, and to listen; we need both reference and anxiety; we need a transformed capitalism, during an age of implementation. We need a lot of abstract nouns that could mean everything or nothing. Most of all, according to visionary Bo Lozoff, who teaches prisoners to meditate, "We are suffering terribly from . . . not leaving time in our day for being deep, reflective people who appreciate the sun coming up and going down." Amen, brother.

### Humpmunch and Holdmeal

Perhaps my favorite *Utne* moment was its brief foray into another successful modern charlatanism, "Futurism." The magazine reprinted a section from the *Futurist's* "10 most thought-provoking forecasts of 1994 by leading scientists, researchers, business experts, and scholars" (March/April 1995). The chosen revelations included such gems as: "Few people in the future will eat the traditional three square meals a day. Instead, they will have five

snacks: 'daystart,' 'pulsebreak,' 'hump-munch,' 'holdmeal,' and 'evesnack.'" Is this a joke? If so, the context ruins it; it's surrounded by Sunday op-ed banalities such as smart cards for money transactions, terrorists using biological weapons, smarter computers, and an end to lifetime jobs. If this is the best our culture's futurist visionaries can come up with, give me molding issues of *Amazing Stories*.

The intellectual limits of the magazine's approach can be detected in

*Utne is a soothing wet-nurse offering bland advice to people who feel guilty about living in a post-communist world where their vaguely socialist, environmentalist aspirations demand sacrifices they aren't willing to make.*

some subtle context clues: instead of ads for new books from university presses, as might be seen in the *Nation*, the ads are overwhelmingly for boring music appealing to middle-aged sensitivos (Shawn Colvin, Acoustic Alchemy, J.J. Cale), organic food treats like frozen yogurt, and handcrafted gewgaws like prayer rugs and Amish apple snitzers.

*Utne's* dedication to "socially responsible" businesses, their biggest advertisers, was put to the test a couple of years back in a controversy over whether the Body Shop, a chain of soap stores run by entrepreneurs who place the entire weight of their market differentiation on being socially and ecologically conscious, indeed lived up to its P.R. Without

precisely explaining the bill of particulars against the Body Shop, *Utne* convened a roundtable of breast beating in which most participants (excepting Jon Entine, the journalist who first broke the story of the Body Shop's alleged failures) granted that, to quote one of them, "Whatever the Body Shop's flaws, it has championed goals that are vitally important." Mr. Utne himself opined that regardless of the reality of the chain's behavior, all that mattered was that it had "raised the goals and expectations for the conduct of business." *Utne* became all goo-goo eyed over the fact that the editor of *Business Ethics* (which published Entine's report) and Body Shop founders Anita and Gordon Roddick got together with Top 100 Visionary Ram Dass, and "a tearful healing process began."

That's classic *Utne*: caring, journalistically unrigorous, and determined to make wealthy "progressive" people feel better about their lives when confronted with the political and socially progressive attitudes they profess but find too difficult to act on. Why should someone interested in Buddhism or neo-Luddism, two favorite *Utne* causes, even need products like fruity soaps and Ben & Jerry's ice cream? Well, these things may not feed the poor, house the homeless, destroy patriarchy, or achieve world peace, but they are perfect analogues to the *Utne Reader*: self-pampering and self-indulgent, slick and gooey, they appeal to yuppie elites who are deeply concerned with such things as "cyber-neighborhoods" and obsession with coffee (both subjects of *Utne* cover stories).

### The Secret Life of Popcorn

Perhaps *Utne* presages the eventual fate of the left in America: to be a soothing wetnurse offering bland advice to people who feel guilty about living in a post-communist world where their vaguely socialist, environmentalist aspirations demand sacrifices they aren't willing to make. Witness *Utne's* arti-

cle on "27 Ways to Live a Spiritual Life Everyday" (July/August 1994), which includes information about how to make eating pie and popcorn deeply spiritual acts. Hell, it might not smash the patriarchy in your lifetime. But ah, like those soaps and that ice cream, and unlike grappling seriously with politics or ideas, it'll sure make you feel good.

Maybe there's nothing wrong with that. As one libertarian told me when we discussed this article's topic, we have no reason to discourage leftists to abandon detailed plans for social control in favor of navel-gazing for personal growth. So maybe *Utne* really is a force for positive social change. If not, it's probably nothing to worry about. And isn't it cause for celebration that most hardcore environmentalists are forced into hypocrisy rather than take their ideology to its logical conclusion? Sure — but it would be even better if

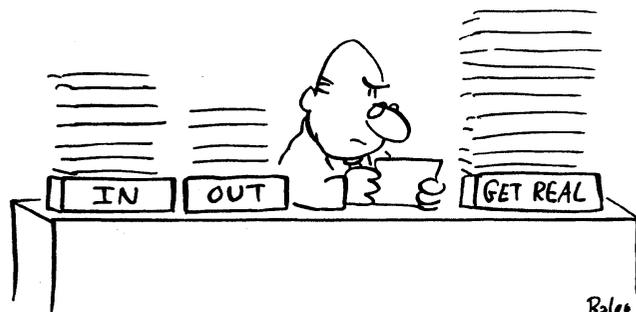
*Why should someone interested in Buddhism or neo-Luddism even need products like fruity soaps and Ben & Jerry's ice cream?*

they openly and honestly acknowledged that their ideologies can't fit with life as they actually want and need to live it.

Surely *Utne* is not the "best of the alternative press." *Utne* offends anyone who loves thoughtful political and cultural magazines. But as the elite of a political movement, *Utne* and its readers are enemies anyone would love to have. They aren't exactly well-armed for intellectual battle.

In the end, it is precisely *Utne's* lack of substance that makes it so difficult to grapple with — its contentless, introspective whining is too slippery, proffering nothing to grab on to and wrestle with. *Utne* reader Barbara Alward put it best, asking in a letter to *Utne* (March-April 1995), "How much trouble can you get into when you claim that humans are not using their full potential?"

No trouble at all, but lots of ad revenue from progressive dessert treats. □



## Excoriation

# Victimology Unbound

by Robert Higgs

The tobacco settlement isn't just a looting unprecedented in scale — it's a scientifically bankrupt folly that reveals the bovine willingness of Americans to be enslaved.

This nation was founded by tobacco farmers, tobacco merchants, and habitual tobacco users — conceived, so it was said, in liberty. Two centuries later, tobacco foes are howling to suppress liberty on a wide front, as demonstrated by the so-called tobacco settlement reached in June.

In the annals of piracy, nothing can compare with it in pecuniary magnitude or sheer audacity. In exchange for immunity from future class-action suits and punitive damages for past conduct, Big Tobacco would pony up \$368.5 billion over the next 25 years, then \$15 billion a year indefinitely. Shamelessly claiming full credit for this gargantuan predation, politicians would divvy up the loot for such worthy causes as health care for uninsured children, stop-smoking treatments for smokers, reimbursement to states for Medicaid costs, and anti-smoking propaganda. Of course the lawyers representing the looters in the settlement would get rewards beyond the wildest dreams of avarice.

The Food and Drug Administration would receive authority to regulate nicotine as a drug but could not ban it from cigarettes before 2009. Smokers are thereby put on notice to drag deeply and often for the next twelve years. Before requiring reductions in the nicotine yield, however, the FDA would have to prove that doing so would cause "a significant overall reduction of health risks," would be technically feasible, and would not give rise to a significant black market for more potent cigarettes.

This last proviso, along with many others in the agreement, probably will not survive the subsequent politicking. Which reminds us that the settlement was not really a settlement at all. In reality, it was nothing more than an opening bid for Congress, the Clinton administration, and various interested parties to use as a point of departure for more horse-trading. Obviously, this process represents a bonanza for members of Congress, who stand to collect fabulous sums as the bidding war proceeds on a variety of fronts.

Having followed the unfolding story of tobacco regulation over the past several years, I have an eerie feeling akin to what I imagine the defendants at Stalin's show trials must have felt. Certain outcomes seem quite concrete. The Code of Federal Regulations shows that the FDA has made rules to restrict the marketing of cigarettes. Federal court reports show that a district court in Greensboro, North Carolina, has upheld the FDA's authority to regulate nicotine as a drug and cigarettes as a drug-delivery device by imposing "access restrictions and labeling requirements on tobacco products." Yet I cannot shake the sense of inhabiting a parallel uni-

verse. In nearly every detail, the reasons advanced by the anti-tobacco parties strike me as divorced from reality. Still, everyone involved in the proceedings appears to have accepted the appropriateness of playing along with the pretense because, though the allegations may be airy, the punishments are quite solid.

The make-believe began several years ago when the FDA began maneuvering to gain jurisdiction over tobacco products by asserting that nicotine is a drug. Everyone knew that Congress never intended the Food, Drug, and Cosmetic Act to give the FDA such jurisdiction. Prior to David Kessler's tenure as Commissioner of Food and Drugs, the agency itself had repeatedly affirmed its lack of jurisdiction. Yet under Kessler the agency proceeded along the most preposterously legalistic lines, citing the law's definition of a drug as a substance "intended to affect the structure or any function of the body of man." In 1980, the U.S. Court of Appeals (D.C. Circuit) declared, "Surely, the legislators did not mean to be as all-inclusive as a literal interpretation of this clause would compel us to be." But sure enough, not only did the

public swallow this power-grabbing jesuitism, but Judge William L. Osteen in Greensboro did, too.

The next item of make-believe pertained to the claims that cigarettes are "addictive" (gasp!) and that the tobacco companies had deceived consumers by concealing evidence of the harm caused by smoking. Commentators discussed these matters in dead earnest, displaying utter shock at disclosures that the

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*In view of their strong desire for enslavement, Americans do not deserve our sympathy.*

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companies had known all along that their reassurances were false. On this issue, I can speak with personal authority. I grew up in the 1940s and 1950s as a member of one of the most densely ignorant strata of American society, yet even there cigarettes were commonly called cancer sticks, and no one ever doubted their harmful effects on the health of smokers. If we knew, everyone knew. Indeed, no one could have missed the wink that accompanied the companies' denials all those years. What else could they say?

Then came the FDA's make-believe definition of cigarettes as a "drug-delivery device," again to bring them under its existing statutory authority — more casuistry, more legalistic mumbo jumbo, all gulped down without gagging by regulators, politicians, and the public.

For the politicians, obviously, the winds had shifted. After decades of collecting millions in payoffs from Big Tobacco, they now perceived that pub-

lic opinion had turned decisively against the merchants of smoky death. New payoffs blipped on the politicians' rip-off radar screens. As the saying has it, you can't buy politicians, but you can rent them.

"Saving the children" camouflaged the entire undertaking. The FDA claimed that its new regulations were aimed exclusively at curbing underage smoking; hence the silly rules such as no cigarette billboards within 1,000 feet of schools and no cartoon characters in the ads. In playing the kiddie card, the authorities all agreed to release their grip on reality. Do they really believe that these blatantly unconstitutional violations of the First Amendment will affect whether kids take up smoking? In Norway, where all tobacco advertising has been banned since 1975, the smoking rate exceeds that of the United States by about a third and has remained stable for two decades. Canada's 1989 ban on tobacco ads has had no significant effect on its smoking rate, which also exceeds the U.S. rate. Clearly, the authors of the ad restrictions have never been kids, nor do they know any now; otherwise, they would understand why their regulations undoubtedly will fail to attain the ostensible objective.

The forty state attorneys general — governor wannabes — claimed to be seeking reimbursement of their states for Medicaid costs of treating patients with "smoking-related" diseases. Two kinds of sham infused this claim. First, despite the specious precision of the numbers that journalists toss around, nobody knows how many deaths have been caused by smoking. Cause of death is not such a simple concept, but even if it were, no one has taken a census of autopsies or other evidence to arrive at the 1,145 Americans alleged to die daily from "smoking-related" causes.

Second, even if somebody did know how many deaths smoking causes, the fact is that these deaths diminish rather than increase pecuniary health-care costs. Smoking hastens the onset of major cardiovascular diseases, the leading cause of death in this country. On average,

people with major cardiovascular diseases die several years earlier than those without. Often they just drop dead, and the only pecuniary cost is that of dragging their bodies off to the morgue. Despite what the anti-tobacco crusaders seem to believe, even in a world devoid of tobacco, people would — I know this is hard to grasp — still die sooner or later. As a rule, the lingering deaths from causes such as Alzheimer's, Parkinson's, or liver disease occasion more pecuniary costs than the deaths of smokers typically do, as research by Harvard's Kip Viscusi and other scholars has established. The attorneys general are seeking reimbursement for extra costs that were never actually borne. They ought to send the survivors of smokers a thank-you note.

The foregoing comments identify only a few of the many elements of make-believe that compose the foundation of the June settlement and no doubt will continue to undergird the politicking that proceeds from that provisional agreement. So long as the foundations are so lacking in substance, we can be sure that the ultimate

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structure erected on them will consist of little more than capricious plunder.

But clearly the country has committed itself to an ideology of victimology without bounds. With the tobacco deal we slide much farther down the slippery slope into complete surrender to Big Nanny and the nitwit Left. Manifestly, the powers that be in this country have abandoned all belief in individual responsibility. In view of their strong desire for enslavement, Americans do not deserve our sympathy. They deserve exactly what they are clamoring for, and they are well on the way to getting it good and hard. □



"I have to work up the courage to go home, Joe — bring me a hero sandwich."

## Essay

# Where There's Smoke There's Liars

by Loren E. Lomasky

The anti-smoking crusade goes south.

Propelled by a vigorous jet stream and *Liberty* magazine's open-ended expense account, your Faithful Correspondent has once again launched himself in an antipodean direction to take the measure of the prospects for human freedom. My investigations began in the Sydney airport's duty-free shop, where, with a

bottle of Frangelico under one arm (I am, despite appearances, possessed of religious sentiments), I traipsed over to the tobacco shelves. I love cigarettes but haven't indulged for several years. And I'm partial to a good cigar, but now that they have been taken up by the likes of Congressional staffers and Unitarian ministers I have shied away from too public an association. So it was to the pipe tobacco I gravitated. It took up no more than one corner of the bottom shelf, the variety was negligible, the prices inflated, and none of it was as smokable as the stash I had stuck in a shoe in my suitcase. So I bought none. The non-purchase didn't come easy. All my political instincts were shouting, "Buy! Buy!" For slapped onto every pouch and can was a series of health warnings in 24 point type, each more lurid than the preceding. There were, by my count, seven different ones, including "Smoking Is Addictive," "Smoking Harms Others," "Smoking Causes Heart Disease," "Smoking When Pregnant Harms Your Baby." (Readers are invited to enter a contest to guess which others the nicophobes saw fit to include. Send all entries to *Liberty* magazine, c/o The Honorable John Howard, Prime Minister, Australia.)

My first reaction was simmering

contempt. I take smoking tobacco seriously — liberty and truth even more so. In one fell swoop, the government of Australia had impugned all three. But upon reflection, the egregiousness of this added piece of paternalism afforded a curious sort of reverse comfort — a boomerang response, you might say. Aussies are among the easiest-going of people. So too, of course, are pipe smokers; that's 90% of the practice's point. Each will suffer the slings and arrows of ordinary, garden-variety indignities with barely a murmur. Put them together and you have a creature with the placidity of a wombat on Valium. If it's potential revolutionaries that are wanted to storm the parapets of the oppressive state, you had best look elsewhere. But here was a slap in the face so abrupt and uncalled for that it could wake even the habitually somnolent. It's not merely that the government is intruding into the properly self-regarding conduct of individuals; that has been a staple of Australian life since the first convict ship pulled into pestilential Botany Bay. No Aussie gives ordinary nagging a second look; this is, after all, a people who, without a hint of irony, still refer to state bureaucrats as "public servants." If they don't actually love their wardens, then at least they credit them

with sincere regard for legitimate public goods. But with these warnings, the facade has entirely fallen away, and the allegedly dutiful nanny is revealed as a brazen, lying harridan.

Smoking harms others? Maybe if one is rolling skunk weed in pages ripped from the Congressional Record. But my briars usually contain an English blend of Virginia, Turkish, and Latikian tobaccos, a genteel knock-off of Balkan Sobranie. It is soothing to the senses and a delight to the soul. Over the years, numerous men and women who have never themselves put match to leaf have told me how much they enjoy the aroma. Only those poltroons who make the exorcism of demon tobacco an article of ideological purity have suggested otherwise, and even they have a certain guilty ambivalence. Does it harm others to bathe them in gentle positive externalities? Pipe smokers know better. Even in Australia.

What of the charge that smoking is addictive? That may possibly be true of cigarette consumption, although I am uncomfortable with the imperial expansion of the concept of "addiction" to cover almost every activity to which human beings might accustom themselves. But the idea that pipe smoking could be addictive is palpa-

bly preposterous. Consider what is required to enjoy a single smoke. First a pipe must be selected, then tobacco added pinch by pinch — gently at first, and then tamped down with increasing firmness as one nears the top of the bowl. It is then lit, a couple of puffs taken, the tobacco then tamped back down. This requires a relighting, and with luck and a smooth-burning blend, one is then good for ten or more minutes of uninterrupted delight. But before reaching the bottom of the bowl, several repeated episodes of further tamping and relighting will be required. As moisture accumulates and gurgling sounds are heard, a pipe cleaner will be inserted in the stem and deftly run down to the bowl. Eventually there's no more smoke to be had, and with a brisk but gentle tapping one dislodges the ashen detritus, gives the pipe a thorough cleaning,

and sets it back in the rack to cool and await its next occasion for service. Then, with a new pipe and restocking of tobacco, the process is begun again.

To a non-smoker this will sound like more bother than any basic pleasure can be worth, but that is what young children think when they first hear about the mechanics of sexual intercourse. Lovers of the leaf know better, and we judge the result good value for the time, money, energy, and concentration expended. There is, however, no way in which so intricate and involved a process — one that incorporates foresight, long-term time horizons, and dedication — can possibly be thought of as addictive. Might as well call star-charting, Hale-Bopp-plotting astronomers addicts! If this is what the health crusaders believe, then they are ignoramuses. Pipe smokers know better. Even in Australia.

It would be over-kill to augment the preceding harangue with sarcastic comments about the multitudes of pregnant pipe smokers swarming Sydney's streets, so I'll say no more. Except to inform the readers of *Liberty* of one cheering development. Even when inflamed, pipe smokers only smolder gently; that is their wont. But Aussie cigarette smokers, who have for years been the primary targets of this obloquy, are beginning to stir. Along with the familiar brands, there is now another seeking counter space, "Freedom Cigarettes." It comes in a striking black pack with a red stylized letter "F" in the shape of a dagger on the front. The back contains all the warnings listed *seriatim*. Directly below is a quotation from Thomas Jefferson: "A little rebellion now and then is a good thing." Aussie bureaucrats and pols, put *that* in your pipe and smoke it! □

### Bullock, "A Rebel and a Drummer," continued from page 39

with least of a life. A friend of mine who was involved in the Ayn Rand estate and the initial institutes and so on noticed that all of the coteries surrounding her didn't do anything. . . . The whole philosophy is about doing things . . . with an eye towards excellence and beauty. And that was the one thing that was lacking in any of the coteries surrounding her. So that's another reason people stay away from [the official Objectivist movement], saying, "Well, I have a life and I'm living the philosophy — so why do I want to stop and talk about it with other people who aren't doing it?"

Peart acknowledges that other thinkers besides Rand have influenced his philosophy. Jungian psychology, for instance, provides themes for a number of songs, and Peart also cites John Dos Passos as an influence on his thinking. Still, the Objectivist influences persist. Encapsulating the Objectivist cultural critique, Peart remarks that in too much of popular culture today, only the "poor and dumb" are glorified, never the "rich and smart." And his "Heresy" (1991) is perhaps the only "fall of communism" song that recognizes the essential link between personal and economic freedom:

All around that dull gray world  
From Moscow to Berlin  
People storm the barricades  
Walls go tumbling in  
The counter revolution  
At the counter of a store  
People smiling through their tears.  
(from *Roll the Bones*)

Politically, Peart describes himself as a "left-wing libertarian," noting that he could never be a conservative due to the right's intolerance and support of censorship. Moreover, the rise of religious fundamentalism in America and throughout the globe "terrifies" him. But he also sees rising intolerance coming from the left, exemplified by a Toronto

law "forbidding smoking in any bar, restaurant, coffee shop, doughnut shop, anywhere." Thus, though he believes that economic freedom is generally increasing, Peart also observes that "socially it seems to be the opposite — there is actually more oppression."

Apart from the unique lyrics and world view, another aspect of Rush that makes the group so appealing, especially to hard-core music aficionados, is that all three members are virtuoso musicians. Each one of their albums demonstrates a refinement of their musical skills. The members take music seriously and constantly explore new musical ideas. Neil Peart is one of the most admired percussionists in any genre of music, a sort of drumming *übermensch* whose extraordinary technique dazzles and delights musicians and non-musicians alike.

Last year, Rush released its 20th album, *Test for Echo*, and will tour again this summer to sold-out venues. Whether the band will break up after this tour is discussed passionately among fans over the Internet. Whatever the future of Rush, libertarians and Objectivists can delight in a band whose music they can enjoy without having to ignore or cringe at the lyrics. Some of Peart's lyrics can be strident or contradictory, but most are eloquent and desperately needed defenses of individualism in a collectivist age:

I'm not giving in  
To security under pressure  
I'm not missing out  
On the promise of adventure  
I'm not giving up  
On implausible dreams —  
Experience to extremes  
Experience to extremes.

("The Enemy Within," from *Grace Under Pressure*) □

# The Weak Case for Government Schools

by David Friedman

Make sense of the case for government schools. Go ahead, we dare you.

It is often said that Adam Smith, despite his general belief in laissez-faire, made an exception for education. That is not entirely true. In the course of a lengthy and interesting discussion, Smith argues both that education is a legitimate government function, at least in some societies, and

that it is a function which governments perform very badly. His conclusion is that while it is *legitimate* for government to subsidize education, it may be more *prudent* to leave education entirely private.<sup>1</sup> Smith's conjecture was correct. While government schooling,<sup>2</sup> free and compulsory, is at present nearly universal in developed societies, the case for it is unconvincing. There are arguments for government provision of schooling, just as there are arguments for government provision of any good or service. But the arguments in favor are weaker, and the arguments against stronger, than the corresponding arguments for other goods and services that we routinely leave to the private market.

## The Arguments In Favor of Government Schooling

The arguments in favor of government involvement in schooling can be roughly divided into four groups: externality arguments, information arguments, capital market failure arguments, and egalitarian arguments.

### Externality Arguments

The most common arguments for government schooling involve the claim that it produces large positive

externalities, that by schooling my children I greatly benefit society as a whole, and that it is therefore inappropriate to leave either the decision of how to school them or the cost of doing so entirely to me. On further analysis, this claim divides into three variants, one wrong and two dubious.

The simplest version is the one that is wrong. It is said that, since education increases human productivity, by educating my child I increase the wealth of the whole society, making all of us better off. One obvious problem with this argument is that, if correct, it applies to a lot of things other than education. Physical capital also increases productivity; does it follow that all investments ought to be subsidized? Better transportation allows workers to spend more time working and less time commuting; should we subsidize the production of cars? The argument suggests that everything worth doing ought to be subsidized — leaving us with the puzzle of what we are to tax in order to raise the money for the subsidies.

What is wrong with this argument is that it misses the way in which the price system already allocates "social benefits" to those who produce them. Building a factory may increase the

wealth of my society, but most (in the limit of perfect competition, all) of the increase goes to the investors whose capital paid for the factory. If I use a car instead of a bus to commute, the savings in time is added either to my leisure or my income. If education makes me a more productive worker, my income will be higher as a result. That is why top law schools are able to sell schooling to willing customers at a price of about \$20,000 dollars a year.

Schooling — like a new car — produces non-market benefits as well. But these too go mostly to the student, enabled by education to appreciate more of the riches of his culture. There may be effects on other people as well, but they are typically small compared to the benefits to the student, and whether those effects are positive is not always clear. When my child becomes an expert in Shakespeare and quantum mechanics, one result may be to enlighten and entertain her friends, but another may be to make them feel stupid. In just the same way, the beauty of my new car may produce the pleasures of aesthetic appreciation or the pains of envy in those who watch me drive it down the street. To base the design of

our institutions for schooling on their uncertain effect on such third parties rather than their direct effect on the schooled makes no more sense than to base the design of cars on their value to everyone except the owner.

There is, however, at least one important respect in which my investment in education — or a factory — does benefit others. Even if my income fully reflects my productivity, as it will

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*In a private system, children will be taught what their parents want them to know. In a government system, children will be taught what the state wants them to know.*

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tend to do in a market economy, not all of my income goes to me. Some of it goes to the tax collector. It follows that some investments, in factories or in people, may not get made even though they are worth making, because the share of the benefit that goes to the investor is not enough to pay the cost of the investment. This inefficient failure to make some worthwhile investments is one form of what economists call "excess burden" — the cost of taxation above and beyond the amount collected.

There is a problem in trying to solve this particular inefficiency by subsidizing investments. In order to pay a subsidy one must collect a tax — and the additional tax increases excess burden at the same time that the subsidy reduces it. Excess burden is an argument against taxation, not for subsidy.

Another version of the externality argument locates the external benefit not in the increased productivity of educated people, but in their increased virtue. Both religious and utilitarian variants of this justification for government schooling were popular in the nineteenth century. Conservatives wanted to use publicly controlled education to teach the masses religious virtue. Many utilitarians, including Bentham himself, believed that while freedom was a good thing in most contexts, it was necessary first to teach people how to use their freedom —

which is to say, to teach them utilitarianism. A form of this argument which still remains popular holds that uneducated people are particularly likely to become criminals, justifying government schooling as a form of crime control. While I have not yet heard anyone argue that government schooling is needed to make the public ecologically responsible, to properly train the crew of spaceship earth, it seems the obvious next step in the evolution of the argument — considering what is actually being taught to elementary school students in the more up-to-date government schools.

The thesis has two versions — education and indoctrination. The first assumes that crime and sin are the result of ignorance rather than rational choice. The evidence for this claim is far from clear. As a general rule, criminals seem to exhibit rational behavior in their crimes — little old ladies, for example, get mugged a lot more often than football players. Criminals who have been caught and imprisoned frequently return to a life of crime — although that experience surely teaches them more about the consequences of their actions than they are likely to learn in any school. And, of course, even if ignorance is one source of crime, the argument depends on the assumption that government schools are better at dissipating ignorance than private ones. As we will see, both theory and history provide reasons to doubt that.

The indoctrination version of the argument may make somewhat more sense. In a private system, children will be taught what their parents want them to know. In a government system, children will be taught what the state wants them to know. So the government system provides an opportunity for the state to indoctrinate children in beliefs that it is not in their interest, or their parents' interest, to hold. Insofar as some virtues require one to act against one's own interest — for instance, by not stealing something even when nobody is watching — state schooling offers an opportunity to indoctrinate children in virtue.<sup>3</sup>

One good reply to this argument was made by William Godwin, who, in 1796, expressed his hope "that mankind will never have to learn so important a lesson through so corrupt a

channel." To put the argument in more modern language, government schooling does indeed provide the state with an opportunity to indoctrinate children — but there is no good reason to believe that it will be in the interest of the state to indoctrinate them in beliefs that it is in the interest of the rest of us for them to hold. Many modern societies have strong legal rules designed to keep the state from controlling what people believe — the First Amendment to the U.S. Constitution being a notable example. It seems odd to combine them with a set of institutions justified as doing the precise opposite.

In an interesting article,<sup>4</sup> John Lott explores the question of why schooling is controlled by the state in modern societies. His conclusion is that government schooling is a mechanism by which the state lowers the cost of controlling the population. Part of his evidence is the organization of modern government school systems — in particular the almost complete absence of systems where parents choose the school and funding is proportional to the number of students, an arrangement which would put pressure on the school to teach what the parents, rather than the state, wanted. Part is a statistical analysis of data for a large number of nations, designed to explore the relation between government schooling

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*Ignorance may perhaps produce crime — but education produces more competent criminals.*

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and other characteristics of government.

One final version of the externality argument is the claim that my education provides benefits to others because it makes me a more rational voter.<sup>5</sup> While the argument is logically correct, its implications are limited. It is perhaps best understood as an argument for subsidy, not control. It is in my private interest to have a correct understanding of the world around me, and such an understanding will make me more able to evaluate government policy as well as more able to make private decisions. The only argument for government control is that it can force

me to learn more about issues relevant to voting, instead of issues relevant to private choice. The problem with this is that the agency that does the controlling has its own interest with regard to how I vote — which brings us back to the indoctrination argument.

A second problem with the argument is that it implicitly assumes that different voters have the same interest, so that my rational vote benefits you as well as me. For some issues this is no doubt true. But other issues — many of them in a modern state — involve attempts by one group to benefit itself at the expense of others. In such situations, your rational vote may well make me worse off. Subsidizing education in how to use the political system in one's own interest becomes the political equivalent of subsidizing an arms race, and equally unproductive.

A final problem is that the argument works only if government-run or government-subsidized schools actually educate better than private schools. If the costs of government control more than cancel the benefits of government subsidy, the advantages of educating students well provide no argument for having the state educate them badly.

Externality arguments, not only for government schooling but for many other issues as well, often make the mistake of adding up only externalities with one sign — positive in the case of schooling, negative in discussions of population or global warming — while ignoring externalities with the opposite sign. The result may be misleading, since it is the net externality — that is, the net benefit to others — that provides an argument for government involvement. If my action benefits one person by a dollar and injures someone else by two dollars, that is an argument against subsidy, not for it.

What negative externalities might result from schooling? One I have just mentioned — you may use your improved education to more effectively pressure the government to benefit you at my expense. A similar possibility exists for private transfers. Ignorance may perhaps produce crime — but education produces more competent criminals.

Another possibility is that schooling may produce negative externalities

because it is used in the competitive pursuit of status.<sup>6</sup> Physical goods and services are not the only thing that individuals care about. If one reason I wish more schooling for myself or my children is so that I or they will have more income or more degrees than my neighbor or his children, and if my neighbor has similar tastes, then the gains of each come at the other's expense.

I conclude that externality arguments provide little independent sup-

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*Government schools teach what the state wants children to learn instead of what their parents want them to learn, but advocates view that as an advantage of the government system.*

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port for government schooling. At most they suggest that private schooling ought to receive some subsidy — and even that conclusion is an uncertain one, given both the weaknesses of the arguments for the existence of net positive externalities and the difficulty of separating subsidy from control.

### Information Arguments

Another argument is that government schooling is necessary because parents, being themselves inadequately educated, are incompetent to choose schooling for their children. As John Stuart Mill put it, "The uncultivated cannot be competent judges of cultivation." This argument concedes that government schools will teach what the state wants children to learn instead of what their parents want them to learn, but views that as an advantage of the government system.

This argument seems to justify at most one generation of government schooling. Once we educate the first generation, they should then be competent to choose an education for their children. The U.S. and Britain have now had universal government schooling for at least five or six generations. If it has done a good job of educating students it should now be unnecessary, and if it has done a bad job perhaps we should try something else.

A further problem with the argument is that most of what the government schools actually teach — or, too often, fail to teach — is well within the comprehension of virtually all parents. Insofar as the main business of the schools is to teach children the basic skills needed to function in our society, the children's parents are usually competent to judge how good a job is being done. Even a parent who cannot read can still tell whether his child can. And, while a few educational issues may go beyond the parents' competence to judge, parents *qua* parents, like parents *qua* taxpayers, have the option of making use of other people's expert opinion. The crucial difference between the two roles is that a parent deciding what school his child shall go to has a far stronger incentive to form an accurate opinion than does a parent deciding how to vote.

Parents have one other advantage over educational administrators — a flood of detailed free information. By observing their children, and by listening to them, parents can learn a great deal about how well they are being schooled. As E.G. West put it, describing the situation in England in the 19th century, "Parents were their own inspectors and, compared with official ones, they were not only much more numerous but exercised continuous rather than periodic check."<sup>7</sup>

Parents' preferences have often clashed with "expert educational opinion," but it has not always been the parents who turned out to be in the wrong. Thus in Scotland, around 1800, parents "Increasingly resisted traditional parochial school emphasis on classical languages and Religion . . . . Parents complained that their children did not get their due in the school 'By not having been taught writing.'"<sup>8</sup> Modern examples might include the controversies associated with the shift away from phonics and towards the look-say approach to teaching reading, and the introduction of the "new math" somewhat later — both arguably among the causes of the massive decline in the output of the American school system from 1960 to 1980. Parents have to live with the results of educational experiments; the educators can always go on to a new generation of experimental subjects. As Adam Smith put it:

Were there no public institutions for education, no system, no science would be taught for which there was not some demand; or which the circumstances of the times did not render it either necessary, or convenient, or at least fashionable, to learn. A private teacher could never find his account in teaching, either an exploded and antiquated system of a science acknowledged to be useful, or a science universally believed to be a mere useless and pedantic heap of sophistry and nonsense. Such systems, such sciences, can subsist no where, but in those incorporated societies for education whose prosperity and revenue are in a great measure independent of their reputation, and altogether independent of their industry.<sup>9</sup>

In a striking passage, E.G. West hints that much of the support for teaching children what they ought to know instead of what their parents want them to know, in the past and presumably today, depends on each expert assuming that it is his version of what children ought to know that will win out:

The French Physiocrats wanted a national system of education because they could use it to propagate their new found knowledge of the "secrets" of the workings of the economy . . . . For the nineteenth century cleric, the "ignorance" which led to crime was primarily the ignorance of the teaching of his particular church. For the utilitarian the crucial issue was ignorance of the laws of the state or in other words the want of knowledge and effective warning of the pain that would inevitably follow from certain actions. For Malthus it was the ignorance of his population principle which mattered most. Public education for him was needed to suppress the 'sophistries' of persons such as Condorcet. The latter happened to be the successful instigator of French state education, and undoubtedly intended it to instruct according to his conception of truth.<sup>10</sup>

### Capital Market Failure

The special problems of investing in human capital are sometimes offered as an argument for government intervention in schooling. If I wish to borrow money to pay for a profitable investment in building a factory, I can

offer the factory as collateral. If I wish to make a profitable investment in my own education, I have no similar option. Under the present legal rules of the U.S. and most advanced countries, I can acquire the education and then wipe out the debt by declaring bankruptcy. So profitable investments in human capital may fail to be made if the human in question cannot finance them himself.

How important this argument is depends on whether the unit of analysis is the individual or the family. If it

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is the family, then the argument applies to only a small fraction of the population. Most families can pay the cost of schooling their children out of current income. Indeed, most families do pay the cost of schooling their children out of current income — in the form of taxes to support government schools. In a private system, such expenditures might be harder for those with large families and low incomes than they are now, and easier for those with small families and high incomes. On the other hand, there is evidence that private schools provide a given level of education at a considerably lower cost than government schools. If so, most parents would face a lower burden under a completely private system. The market failure argument would then apply only to a small fraction of families at the bottom of the income distribution.

So far as that part of the population is concerned, several points are worth noting. The first is that it makes very little sense to construct a government school system for everyone in order to subsidize investments in human capital for a tiny part of the population. The second is that the present system

does a very bad job of educating just those people who would have the hardest time educating themselves, which casts some doubt on the idea that it is, for them, an improvement on a purely private system. The third is that the evidence of the nineteenth century suggests that even quite poor people are able to provide their children at least a minimal education. British workers of the early nineteenth century were very much poorer than the inhabitants of America's inner cities at present. Yet the evidence suggests that most were able, without government help, to buy enough education for their children to provide at least minimal literacy — more than many inner-city children get now.

Additional issues arise if we consider the problem from the standpoint of the child rather than the family. Most families can afford to pay for schooling their children, but very few children can afford to pay for schooling themselves. A private system depends, for almost all children, on parents caring enough about the welfare of their children to be willing to pay the cost of their education.

Most parents, in most societies, do care for the welfare of their children. In part this may be explained by altruism, itself explainable on evolutionary grounds, and in part by the desire of parents to have children capable of supporting them in their old age. These incentives are not perfect — there are parents who sacrifice the welfare of their children to their own welfare. But the alternative to allowing parents to make decisions for their children is not, as a general rule, having the decisions made by the children — five-year-olds lack not only income, but information and political power as well. The alternative to having a child's parents make decisions for him is having other adults — school administrators, politicians, voters — make those decisions. Parents may not always be altruistic towards their children, but a child's parents are, of all adults, the ones most likely to be. The argument against letting the parents make the decision is an even stronger argument against letting anyone else make it instead.

Here again, the empirical evidence is striking. Under circumstances of poverty difficult for most of us to ima-

gine, British parents of the early 19th century managed to send almost all of their children to school — not for as long as our children go to school, but for long enough to acquire at least minimal skills. In this country a century later, immigrant parents routinely sacrificed themselves to promote the education of their children. We have yet to see any similar level of altruism on the part of those who control the government schools — say a teacher strike aimed at lowering teacher wages in order to leave more money to pay for books.

### The Egalitarian Argument

A final, and powerful, argument against an entirely private system of schooling is that it promotes and perpetuates inequality. Wealthier parents will spend more on their children, making those children in turn better educated, more successful, and wealthier. This effect is increased by the fact that family background is itself a strong predictor of school performance, even with equal levels of expenditure. In order to give a child from a poor and badly educated family as good an education as a child from a rich and well educated family, it

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*A parent deciding what school his child shall go to has a far stronger incentive to form an accurate opinion than does a parent deciding how to vote.*

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would, on average, be necessary to spend substantially more on the former.<sup>11</sup>

There are at least two possible replies to that argument. One is that our objective ought to be education, not equality. If shifting to an entirely private system improves the education of the bottom half of the income distribution a little and the education of the top half a lot, both groups are better off. A second reply is that, while a completely private system would indeed result in unequal educational accomplishment, so does our present government system — and it is far from obvious which leads to more inequality. At present, the quality of gov-

ernment schools varies enormously and non-randomly from place to place. One reason is that high-income suburbs, on average, can and do spend more on their schools than low-income inner cities, although in the U.S. this difference has probably decreased in recent years as a result of legal pressures. A second reason is that the children of affluent and well-educated parents are, on the whole, easier to educate and to be educated with than the children of the inner city poor. A third may well be that affluent suburbanites are better than the inner-city poor at getting political institutions to act in their interest.

The first two effects would still exist in an entirely private system, but several factors might reduce the inequality they now produce. A private system would be less rigidly geographical than the present government system. Poor parents with bright children who were willing to sacrifice for them, as many have been in the past, would have the option of sending them to better schools instead of being limited to the school district where they happened to live. Such arrangements are technically possible in a government system as well, and occasionally permitted, but not often — perhaps because they transfer power from the schooling bureaucracy to parents.

Another advantage of the private system, from the standpoint of poor parents, is that parents could control what they got without having to acquire political power — which poor people, as a rule, have very little of. Subject to the limits of their income, poor people have the same economic power as anyone else — the ability to choose whom they buy from.

A final advantage is that a private system might actually provide poor children with some education. Under our present system, the largest determinant of educational output is family background. One explanation of that is that parents are a major part of their children's environment and thus a major source of their education. But a second explanation may be that our schools do not do a very good job of teaching, making children more dependent than they need be on the education they get from those around them. If so, poor children, who are in more

need than rich children of things they cannot get from their parents, might well benefit more from a general improvement in the schools.

### History

In many areas of human activity there are two histories — the popular history, mostly mythological, and the real history. In education, quite a lot of the real history has been provided by

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*Parents have to live with the results of educational experiments; the educators can always go on to a new generation of experimental subjects.*

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E. G. West.<sup>12</sup> In examining the history of the rise of government schooling in Britain and the U.S., he has established several important points which go far to refute the popular idea that mass education can exist only through the intervention of the state. They are:

1. Schooling expenditure in Britain represented about the same fraction of national income prior to government intervention and compulsory schooling laws as it did after both were introduced.
2. Prior to government involvement, almost all British children were going to school. The opposite claim, widely made in Britain by the supporters of government involvement, was based on fairly simple statistical errors. The most common was to calculate how many children should be in school by picking an arbitrary and unrealistic number of years of schooling and using it to calculate how many children would be in school if all children went to school for that number of years. The ratio of the number of children actually in school to the calculated number was then treated as if it were the fraction of children who went to school. In practice, as West shows, more direct evidence suggests that almost all children in the period just before the beginning of government involvement (c. 1830) went to school for at least a few years. The discrepancy between actual and calculated

attendance mainly reflected actual school attendance for fewer years than assumed in the calculation.

A particularly striking example of this fallacy was an unfavorable comparison of the British private system to the Prussian state system, made by the Manchester Statistical Society in 1834. The authors assumed that British students attended school for ten years, used that assumption to calculate that just under two thirds of the children in Manchester attended school, and contrasted that to the (claimed) hundred percent attendance rate of the Prussian system. The Prussian system, however, provided for only seven years of schooling — so even if the claim that every child got the full seven years was true, the average years of schooling per child were about the same in the two systems (seven in Prussia, about six-and-a-half in Manchester). The Statistical Society offered no evidence that the British number represented two thirds of the students attending school for ten years each, and later evidence made it clear that it did not. The actual number who never attended school seems, from slightly later studies, to have been between one and three percent.

3. Attempts to measure educational output in the form of literacy, using both a variety of studies made at particular times and a crude measure (percentage of grooms who signed their names when they got married) that is available over a long time period, show no significant effect of government intervention. So far as one can tell by the (very imperfect) evidence, literacy was already rising rapidly prior to the beginning of government subsidy. Most of the measured increase in literacy had already occurred by the time a nationwide system of government schools and compulsory attendance was established.
4. The eventual expansion of the government school system was in large part the result of efforts by the people running it, and is plausibly explained by their own self-interest. Its main effect was to

replace, not to supplement, the pre-existing private system.

### The Voucher Alternative

I have been considering two alternatives — government and private schooling. Another alternative, in some ways intermediate between the two, is for the state to provide a fixed amount of money per pupil per year, which may be used to buy schooling from any of a variety of private providers.<sup>13</sup> How well does such a system deal with the problems we have discussed?

A voucher system solves some of the problems associated with market failure on the human capital market. Families that are too poor to pay to send their children to school will be able to use the voucher to pay for

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*British workers of the early nineteenth century were able, without government help, to buy enough education for their children to provide at least minimal literacy — more than many inner city children get now.*

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schooling. Parents who do not care enough for their children to be willing to pay for their schooling will be able to use vouchers to provide schooling for their children at no cost to themselves. A voucher system might also reduce educational inequality, relative to both government and private systems. It would not, however, eliminate inequality, both because parents would be free to supplement the voucher<sup>14</sup> and because the parents themselves are a major input to the child's education.

It is not clear whether a voucher system solves any of the other problems raised by a purely private system. It is, for example, a poor tool for solving inefficiencies associated with positive externalities — supposing that one believes such externalities exist and are substantial. With a voucher, the cost to the parents of each additional dollar of schooling is zero up to the amount of the voucher and one dollar above it. That means that parents who would in any case spend more than the voucher

will buy the same amount of schooling with a voucher as with private schooling.<sup>15</sup> If there are substantial net positive externalities, that amount will be inefficiently low. Parents who would have spent less than the amount of the voucher will now spend the full amount — which might buy more or less than the efficient amount of schooling. A better way of dealing with such externalities would be for the state to pay a percentage of school expenses corresponding to the percentage of net benefits that went to people other than the student and his family. A voucher makes sense, from this standpoint, only if the optimal educational expenditure is known and is about the same for all families — which seems implausible.

While vouchers give the wrong pattern of incentives for solving the externality problem, government schools do still worse. A parent who wishes to give his child a thousand-dollar education when the government schools are spending only nine hundred dollars per pupil must pay the full cost of sending his child to a private school: a thousand-dollar cost for a hundred dollars of additional schooling.<sup>16</sup> If the additional schooling is worth less than the additional cost, the parent leaves his child in the public school, where he gets less schooling than his parent would have bought for him in an entirely private system. So a government system might result in less expenditure on schooling than a completely private system — making the inefficiency associated with the failure to allow for positive externalities worse rather than better.

Whether a voucher answers the arguments of those who believe that parents are incompetent to control their children's schooling, either because they have the wrong objectives or because they have the right objectives but not enough knowledge to achieve them, depends on how much control the state exercises over schools that accept vouchers. This suggests an important disadvantage of vouchers. If the government is paying the piper, it may well choose to call the tune. If it is giving vouchers to pay for education, it will probably want to determine what counts as education. Thus a voucher system, like a government school system, has the potential

to be used either to encourage indoctrination or to redirect "educational expenditure" to benefit politically well-organized groups such as teachers and administrators. While one could design a voucher system to minimize such problems, perhaps by permitting private schools to qualify if the mean performance of their students on objective exams matched the mean performance of students at government schools, it is far from clear that such a system could be either passed or maintained.

A second argument against vouchers is that they may encourage wasteful expenditure on schooling. During the two decades when the performance of U.S. schools, measured by objective exams, plummeted, real expenditure per pupil roughly doubled. Under a voucher system, interest groups selling inputs to schooling — textbook publishers, teacher's unions, and the like — have an incentive to lobby to raise the amount of the voucher above the optimal level of school expenditure. While their ability to divert such expenditures to themselves will be limited by quality competition among the schools, an increase in demand for their product will still tend to raise its price.

### Conclusion

There are arguments in favor of having government pay for and produce schooling, as there are arguments in favor of having government pay for and produce practically any good or service. I have tried to show that the arguments in the case of schooling are not very strong. There are also arguments against having government produce and pay for any good — the arguments for political failure combined with the general economic argument that private markets tend, at least in some approximation, to produce the optimal output at the minimal cost. In the case of schooling, there are additional and very powerful arguments against government control. One of the most important is its potential use to indoctrinate the population in views that the government, or the schooling bureaucracy, or powerful lobbying groups, wish people to hold.

In this regard, one of the great disadvantages of government schooling is its uniformity. Any education can be viewed as indoctrination from the

standpoint of those who do not believe what is being taught. Under a private system, however, there is no single orthodoxy. Different children are taught different things, reflecting the differing preferences of their parents and, to a lesser degree, the beliefs of teachers, textbook authors, and other contributors to the educational process. As adults, the graduates of such schools have the opportunity to correct the deficiencies in their education by interacting with the graduates of other schools who have been taught very different things. Under a government system, there is a serious risk that one official orthodoxy will be taught to all.

A further disadvantage to state education, especially in a diverse society, is that it inevitably involves a state religion. One cannot educate children without talking about issues on which religions differ. The pretense of a religiously neutral education, at least in the

U.S., is maintained mainly by the tendency of teachers, like other people, to regard what they believe in as fact and only what other people believe in as religion. A government school system in a diverse society is thus deeply divisive, since it means that some people's children are being indoctrinated with other people's religion.

Many of the disadvantages of government schooling could be eliminated, or at least reduced, by a voucher system. While such a system would be a great improvement over government schooling, there seems little reason to believe that it would be superior to an entirely private system. The great argument against it is that a voucher system must include some definition of what is or is not schooling, in order to determine what can be paid for with the voucher. Imposing such a definition on private schools implies the same sorts of problems of government

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control that would arise with a government school system, although possibly to a much reduced degree.

I conclude that Adam Smith was

correct in his suggestion. Whether or not it is proper to have a government system of schooling, it is prudent not to. □

*This article is dedicated to E. G. West, to whom, allowing for the usual time lag between ideas and policy, our grandchildren will owe a large debt. Most of my historical discussion is based on E. G. West, Education and the Industrial Revolution, P.T. Batesford & Co., London 1975.*

### Notes

1. "The expence of the institutions for education and religious instruction, is likewise, no doubt, beneficial to the whole society, and may, therefore, without injustice, be defrayed by the general contribution of the whole society. This expence, however, might perhaps with equal propriety, and even with some advantage, be defrayed altogether by those who receive the immediate benefit of such education and instruction, or by the voluntary contribution of those who think they have occasion for either the one or the other." (Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1789 edition, E. Cannan ed., 1904 U of Chicago Press, Chicago: 1976, Book V, Chapter 1, Conclusion, p. ii 340).
2. I have chosen to refer to "government" rather than "public" schools and schooling, because I find the latter terminology misleading. A privately run school may be "public" in the sense that differentiates a public hotel or restaurant from a private club — it may choose to accept all customers willing to pay its price. In this sense, most government-run schools are private, since they accept only students who meet certain criteria, most commonly geographical. To describe government schools as "public" on the grounds that they are run by the public is to identify the public with the state, which I think a mistake. Avoiding the term "public school" also avoids confusion between the British and American usages; a British "public school" is what Americans call a "private school." I use "government" rather than "state" in the context of schooling in order to avoid confusion with "state" in the sense of a political subdivision of a federal system, such as the state of Illinois.
3. One can, however, argue that such virtues are in the long run interest of the individual who possesses them, since they make him a more valued partner in freely chosen associations. See Frank, Robert H., *Passions Within Reason: The Strategic Role of the Emotions*, Norton: NY 1988. If this is right, then private schools may do a better job of inculcating virtue than government schools, precisely because it is in their interest to teach what parents want their children to learn.
4. Lott, John R. Jr., "An Explanation for Public Provision of Schooling: The Importance of Indoctrination," *Journal of Law and Economics* 33: 199 (1990).
5. William Buckley's response to this argument was that he would rather be ruled by the first thousand names picked out of the New York phone book than by the faculty of Harvard.
6. For an interesting and original discussion of such issues from an economic perspective, see Frank, Robert H., *Choosing the Right Pond: Human Behavior and the Quest for Status*, N.Y.: Oxford, Oxford University Press 1985.
7. E. G. West, *Education and the Industrial Revolution*, P.T. Batesford & Co., London 1975, p. 36.
8. Quoted by West from C.R. Fay, *Adam Smith and the Scotland of his Day*, 1956, p. 51.
9. Smith (1976) Book V, Chapter 1, part III, article II, ii 301.
10. For citations to the relevant literature, see Sam Peltzman, "The Political Economy of the Decline of American Public Education," *Journal of Law and Economics*, Vol. 36, (1993).
11. West (1975) p. 123
12. West (1975); *Education and the State: A Study in Political Economy*, Institute of Economic Affairs, London 1965; "The Political Economy of American Public School Legislation," 10 *Journal of Law and Economics*, 101 (1967); "Private Versus Public Education: A Classical Economic Dispute," 72 *Journal of Political Economy* 465 (1964).
13. Some variants include the option of voucher-supported public schools. In others, the amount is different for different sorts of pupils, or is payed out on the basis of performance measures rather than years in school. For the purposes of this essay I shall ignore such fine points, and consider a simple version of the voucher proposal.
14. Even if schools were not permitted to charge more than the voucher, parents still could and would supplement their children's education in other ways.
15. This conclusion ignores income effects due to redistribution. Families with many children and low income will be net gainers by a voucher; families with few children and high income will be net losers. The former will tend to buy more schooling for their children than without a voucher, the latter less.
16. If the only relevant dimension of schooling is number of hours, this is not true; a parent can provide the extra hundred dollars as privately provided after school tutoring. But if the relevant dimension is quality rather than quantity of schooling, simply supplementing what the government provides is not a satisfactory option.

# Gun-Point Democracy in Africa

*by George Ayittey*

The road of progress is impassable when overrun with highwaymen dressed in police uniforms.

Each year, the international community responds to Africa's self-inflicted catastrophes with the same monotonous routine. First, grisly photos of Africans' emaciated bodies are paraded in the Western media, as aid bureaucrats make urgent appeals for humanitarian assistance. Unable

to bear the horror, the international community is stirred to mount eleventh-hour humanitarian rescue missions. Food, tents, and other relief supplies are airlifted to the refugees. Factional leaders initially welcome the humanitarian mission to feed refugees, then turn against the mission and refuse to cooperate. They tax relief supplies and make extortionate demands; aid workers are taken hostage or killed. In the end, the rescue mission pulls out, CNN goes on to fresh kills, and starving refugees are left to fend for themselves. Soon another African country implodes, and the same macabre ritual is repeated.

Why do durable solutions prove so elusive? Partly, of course, it is simply because the same failed policies are tried again and again. As the collapse of Zaire shows, nothing — absolutely nothing — has been learned from the melt-downs in Somalia, Liberia, or Rwanda. Western media analysts, employing Cold War paradigms, tend to engage in a debilitating and unproductive "Blame the West First" game. The West, they point out, supported Mobutu, and ignore the fact that other foreign powers have also propped up flagitious

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regimes in Africa. Just recently, for example, China supplied five MiG-21 fighter jets to Mobutu's forces, while North Korea provided an estimated 600 tons of machine guns, grenade launchers, and ammunition.

But the fact is that foreign support, or lack thereof, has little to do with the recent implosions of African countries. The disasters continue primarily because African despots and ruling vampire elites refuse to relinquish or share political power, and because they are supported internally by soldiers, intellectuals, civil servants — even by ostensible leaders of the opposition.

One such political chameleon is Zaire's former prime minister, opposition leader Kengo wa Dondo, who fled Zaire this March after looting \$160 million from the fund intended for elections. (In a bravura display of hypocrisy, the kleptocratic Mobutu regime responded by putting out an international warrant for his arrest.)

The most scurrilous internal support, however, has often been furnished by Africa's own intellectuals: professors, lawyers, teachers — the very groups that are supposed to understand such terms as "freedom"

and "democracy." In exchange for a diplomatic or ministerial post, many African intellectuals are willing to betray their principles in service to the dictates of military goons with half their intelligence. It is pointless to rail against Western aid to corrupt and incompetent African regimes so long as they have the support of such intellectual prostitutes at home.

Africa's woes stem largely from the imposition of two defective systems on its people by its postcolonial leaders. The first was statism — an economic system in which enormous powers are concentrated in the hands of the government, in contravention to Africa's indigenous heritage of free village markets, free enterprise, and free trade. The village markets that existed in Africa for centuries were dominated by market women (especially in West Africa), not controlled by African chiefs.

The second imposed defect was sultanism — a system characterized by the concentration of vast political powers in the hands of one person. This power is used to manipulate the economic system to enrich the head of state (kleptocracy), his cronies (cronyism), and fellow tribesmen (tribalism).

What exists in many African countries is a mafia state — a state hijacked by gangsters who use political power to advance their own economic interests and exclude everyone else. In Africa, political power is what guarantees access to fabulous wealth, and the richest persons are often heads of state and ministers.

### Electoral Road to Hell

The destruction of an African country, regardless of the professed ideology of its government or foreign patron, generally begins with some dispute over the electoral process. The blockage of the democratic process or the refusal to hold elections plunged Angola, Chad, Ethiopia, Mozambique, Somalia, and Sudan into civil war. The manipulation of the electoral process by hardliners destroyed Rwanda (1993) and Sierra Leone (1992). The

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*Foreign support has little to do with the recent implosions of African countries. The disasters continue because African despots and ruling vampire elites refuse to relinquish or share political power.*

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subversion of the electoral process instigated civil strife in Cameroon (1991), Congo (1992), Togo (1992) and Kenya (1992), and in Liberia (1985) laid the ground work for civil war. Finally, the annulment of electoral results by the military started Algeria's civil war (1992) and plunged Nigeria into political turmoil (1993).

Even more maddening, there is a simple, indigenously African approach to all such problems. Traditionally, when a crisis erupted in a typical African village, the chief and the elders would summon a village meeting — similar to New England's town hall meetings. There, the issue would be debated by the people until a consensus had been reached. And once a decision had been made, all — including the chief — were required to abide by it.

In recent years, this indigenously African tradition has been revived and

reconstituted as "sovereign national conferences," and used to ordain democratic dispensations for Benin, Cape Verde Islands, Congo, Malawi, Mali, Zambia, and South Africa. In Benin, for example, a nine-day "national conference" was held in 1990, with 488 delegates representing various political, religious, trade union, and other groups encompassing the broad spectrum of Beninois society. The conference held "sovereign power," with its decisions binding on all, including the government. It stripped President Matthieu Kerekou of power, scheduled multi-party elections, and ended 17 years of autocratic Marxist rule.

South Africa used a similar vehicle to make the arduous but peaceful transition to a multi-racial democratic society. The Convention For A Democratic South Africa (CODESA) began deliberations in July 1991, with 228 delegates drawn from about 25 political parties and various anti-apartheid groups. CODESA was "sovereign" and strove to reach a "working consensus" on an interim constitution. It set a date for the March 1994 elections and established the composition of a transitional government to rule until then.

By contrast, Burkina Faso, Cameroon, Gabon, The Gambia, Ghana, Kenya, Niger, Zimbabwe, and several other African countries have refused to hold national conferences. The electoral process was blatantly manipulated and rigged to return despots to power.

Niger is a good example. There, a military thug, General Ibrahim Bare Mainassara, seized power in a January 1996 coup. Under intense pressure from both the domestic and the international community, Mainassara eventually scheduled presidential elections for July. Though opposition parties were given less than two months to campaign, early results showed that he was losing. So Mainassara sacked the Independent National Electoral Commission and replaced its members with his own appointees, while putting his opponents under house arrest and cutting off their phone lines. A ban on public gatherings in Niamey was imposed, and Mainassara deployed security forces at candidates' homes and at opposition party offices. The floodlit Palais des Sports, where the results were tallied, was guarded by an

armored car and heavy machine guns mounted on pickup trucks. The regime stopped two radio stations from broadcasting and shut down all of the country's international phone lines. After the Supreme Court, bazookas pointed at its building, had declared Mainassara the "winner," the opposition candidates were released.

Other African countries, such as Nigeria, Togo, and Zaire, have held national conferences, but so devilishly manipulated them that they were rendered utterly useless. For example, in Nigeria military thugs have kept the country in a state of perpetual transition to democratic rule. The previous five-year transition program, started in 1985 by the country's former dictator, General Ibrahim Babangida, was stretched out with frequent interruptions, devious maneuvers, and broken promises. For eight years, Babangida went through political contortions — dribbling for position like the Brazilian soccer star who supplied his nickname, "Maradona"; constantly shifting the goalposts; on four occasions reneging upon his commitment to return the country to civilian rule; and finally annulling the June 1993 elections — the most free and fair in Nigeria's history — and throwing the winner, Chief Moshood Abiola, into jail.

Babangida's charade was immediately followed by General Sani Abacha's own scam transition, which

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*Most African rebel leaders are themselves closet dictators.*

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followed the same steps as the "Babangida boogie": one step forward, three steps back, a sidekick, and a flip to land on a fat Swiss bank account.

Accordingly, the opening of Nigeria's June 1995 Constitutional Conference was greeted with a massive dose of public skepticism. Slated to convene in January 1995, it was postponed to March and then to June, causing great confusion and anxiety. A day after the conference finally began, it was adjourned for two weeks. The official reason? Accommodations for the delegates were not ready. Nonetheless, the frequent postponements were widely interpreted as a stalling tactic

and served only to reinforce public skepticism.

Moreover, the 396 delegates, who were to deliberate on the future of democracy, congregated at Abuja as "guests of the military." Ninety-six were nominated by General Abacha, and the rest were "elected" under suspiciously complex rules. Delegates were chosen by "people's representatives" who were themselves elected by popular vote (scheduled for May 21 but postponed to May 23). Candidates under 35 years of age were ineligible to

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*As desirable as the ouster of Mobutu might be, the international community should be extremely wary of enthusiastically embracing people who shoot their way to power.*

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run. And besides excluding ex-convicts and bankrupts, the law demanded that each candidate "must be sane" and "a fit and proper person" — requirements which most of the ruling military thugs themselves would surely fail to meet.

Logistical problems, inadequate publicity, and apathy bedeviled the electoral exercise. Campaigning was forbidden, and there was no voters' register or voting cards. Confusion reigned. Voters did not even know whom they were voting for or to what purpose. Stunned by the annulment of the June 12 elections, many chose to stay home. In Ondo State, there was almost no voting at all. In Ogun State, polling booths were empty. In the southern states — Akwa-Ibom, Cross River — most voters stayed home. Across the country, general voter turnout was scandalously low.

More suspiciously, the Constitutional Conference was not sovereign. That is, the Abacha regime reserved the right to reject or accept its recommendations. If the regime rejected them, the entire exercise would be a colossal waste and would have to be started anew. If the recommendations were accepted, the military regime would then draw up a timetable — probably specifying another eight-year transition period for "civic education," voter registration,

and local, state, and regional elections — always with the possibility of interruption in midstream.

If South Africa had held such a constitutional conference, General Abacha and other African leaders who endorsed this farcical proceeding would have leapt 80 feet into the air and denounced it as palpable effrontery to black people. But the Nigerian people are not so restrained in their reaction to domestic corruption — and with Nigeria trudging tortuously through this "voodoo democracy," the military government that has ruled Nigeria for 26 of 36 years since independence from Britain has been the target of six bomb attacks already this year.

Ironically, when soldiers overthrew the civilian government of Ahmed Tejan Kabbah of Sierra Leone on May 25, 1997, it was Nigeria that sent in troops to oust the coup leaders (described by Sierra Leone's ambassador to the U.S. as "wild savages") and to restore the civilian president. One would think a leader who is such a strenuous advocate of democracy — to the extent of restoring a democratically-elected civilian president at gun-

point — would restore his own country's civilian president to power. But in many parts of Africa, common sense is the scarcest commodity in officialdom.

Similar antics were employed by the former dictator of Zaire, President Mobutu Sese Seko. Under international and domestic pressure, he too embarked upon a process of democratization in 1990. A sovereign national conference was convened in 1991 to draft a new constitution, elect a transitional parliament, and form an interim government until elections could be held. But the wily autocrat deviously manipulated his rivals, playing one political opponent against another and repeatedly sabotaging the transition process to retain his grip on power. At one point, there were more than 400 political parties in Zaire — over half of them created by Mobutu — leading Zaireans to scorn multi-partyism as "multi-Mobutuism."

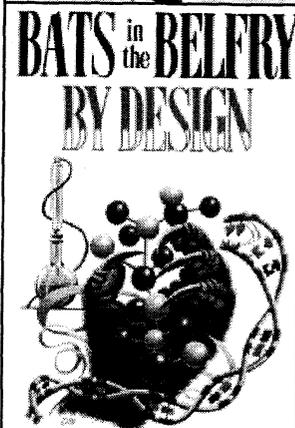
As desirable as the ouster of Mobutu might be, the international community should be extremely wary of enthusiastically embracing people who shoot their way to power in Africa. Such active and open support for a rebel insurgency poses a serious



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setback to the democratization process in Africa. By encouraging similar insurgencies, it sends a dangerous signal and delivers a destabilizing jolt to a continent already reeling from wanton brutality.

In this vein, a joint communiqué issued in May by political parties represented in Zaire's parliament is noteworthy. It observes that peaceful demands for democratic change have failed to produce results, and "given that the only language understood by those in power is the language of arms," it expresses support for armed struggle to establish democracy.

But the record of insurgencies and liberation movements in postcolonial Africa inspires little confidence. Most African rebel leaders are themselves closet dictators, exhibiting the same tyrannical tendencies they so loudly denounce in the despots they hope to replace. Africa's liberation struggle is a story of betrayal, choreographed by an assortment of self-styled liberators, quack revolutionaries, Swiss bank socialists, and grasping kleptocrats.

One cause of African nations' internal divisions is natural tribal rivalries — and even before they accomplish their liberation mission, rebel movements often splinter into tribal factions and turn their guns on each other. Examples are not hard to find: the ANC/Inkatha split in South Africa; the Mugabe/Nkomo rift in Zimbabwe; Nkrumah vs. Danquah in Ghana; Taylor vs. Johnson in Liberia; Aideed vs. Mahdi in Somalia; Savimbi vs. Neto in Angola; Machan vs. Garang in Sudan, among others. If the campaign to overthrow the hated regime is unsuccessful, the war may drag on for years — even decades, as in Angola, Mozambique, Sudan. If the head of state is ousted or killed, as happened in Somalia and

Liberia, factional leaders battle ferociously to fill the power vacuum.

Another example is provided by Kabila's fractious movement, the Alliance of Democratic Forces for the Liberation of Congo-Zaire, which is composed of three parties. Differences between them, buried for the moment, could soon erupt into open warfare, and in the post-Mobutu era, remnants of Mobutu's army may well stake a claim for the spoils of power. Etienne Tshisekedi, the most popular opposi-

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*Africa's liberation struggle is a story of betrayal, choreographed by an assortment of self-styled liberators, quack revolutionaries, Swiss bank socialists, and grasping kleptocrats.*

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tion leader, will loathe being marginalized. Granted, Zaire's opposition leaders have yet to liberate themselves, as Kabila has scornfully remarked. But any attempt to cut them out of the food chain could provoke riots, especially in Kisangani. Further, the Baluba, the Babembe, and the Bahunde — strong and fiercely independent tribes of eastern Zaire — resent the prominent role played in the insurgency by Zaire's minority ethnic Tutsis — the Banyamulenge or "Easterners," as they are called by locals, who comprise less than one million of Zaire's 43 million people.

In Goma this April, tensions between Tutsi soldiers and the Katangan gendarmes of the rebel movement erupted into a gunfight. The Katangans are Zaireans who in the

1960s and 1970s fought unsuccessfully for autonomy for the mineral-rich Katanga province, fleeing to Angola after their defeat. Since the rebel insurgency, they have returned — together with the children of the original separatists — to join the rebel insurgency against Mobutu. They deeply resent the role

played by Ugandan and Rwandan Tutsis in the movement.

### The Role of the West

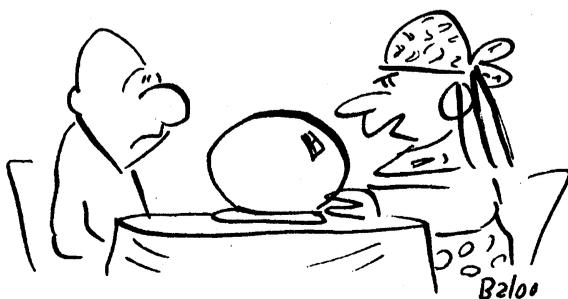
Western investment and "aid" often turns out to be a key source of income for local despots. In Somalia, for example, the warlords imposed levies on relief supplies to starving victims. When relief aid as a source of revenue evaporated, a Somali warlord, the late Mohamed Farah Aidid, turned his attention to the lucrative banana export trade to Europe. A "banana war" erupted between him and Somalia's other warlord, Ali Hassan Osman "Atto." The ancient port of Merca, the scene of the fierce fighting in 1996, is a small town south of Mogadishu.

The port had been renovated by two foreign firms: Somali Fruit of Italy and Sombana of the U.S. The two companies paid Aidid 20 cents for every carton they exported — about \$800,000 a month. Additional levies brought in \$200,000 to Aidid's coffers each month. Fighting flared up in March 1996, when Atto demanded that the warlord either share the revenues from Merca or see that port closed.

In Liberia, "liberator" Charles Taylor turned out to be another political entrepreneur. According to the U.S. State Department's Deputy Assistant Secretary of State for African Affairs, William Twaddell, Taylor has been paid at least \$75 million in each of the six years since he started the Liberian civil war. Taylor's booty came from the sale of Liberian diamonds, gold, iron ore, and timber, mostly to companies in Belgium, France, and Malaysia. According to Twaddell, this was in addition to Taylor's share of the "\$16 million to \$20 million" in ship registry revenues which he and the five other members of his Council of State shared among themselves in 1995.

In Zaire, it is déjà vu all over again. American and European mining companies have been relentlessly pursuing Zaire's new leader, Laurent-Desire Kabila, pressing him to negotiate multimillion-dollar concession deals. South Africa's diamond-mining giant, De Beers, said it held talks with Mr. Kabila this April. American businessmen — miners, bankers, lawyers, and communications executives — are also

*continued on page 60*



"Oh you would, would you!"

# Lew Rockwell's Vienna Waltz

by Tom G. Palmer

Who is this Rockwell fellow, and why is he linking one of history's great libertarians to an imperialistic police state?

## The Habsburg Dynasty was:

- A) One of the more reactionary and anti-constitutional forces in 19th century and early 20th century Europe.
- B) A popular American television evening soap opera from the mid-1980s.
- C) A famed guardian of Western civilization and a noted patron of the Austrian School of Economics and of classical liberalism.

According to Llewellyn H. Rockwell, Jr., president of the Ludwig von Mises Institute, the answer is "C." In a letter asking donors to "do us the honor of serving on the Dinner Committee" for the Institute's upcoming fifteenth anniversary, Rockwell gushes, "The honorary chairman of the Dinner Committee, also our guest of honor that evening, is Karl von Habsburg-Lothringen, Archduke of Austria. We are honored by his support of the Institute. His presence makes this the event of a lifetime."

As if this bowing-and-scraping were not enough, Rockwell continues with a remarkable rewriting of modern European history, asserting that "in European history, the Habsburg monarchy was a famed guardian of Western civilization. But even those of us devoted to the old American republic are aware of the warm and long relationship between the Austrian school and the House of Habsburg." In defense of this startling claim, Rockwell claims that "The Emperor Franz Joseph ennobled Mises' father, hired Carl Menger to teach classical liberalism to Crown Prince Rudolf, made Menger a member of the House of Lords, and

appointed Eugen von Böhm-Bawerk twice as Finance Minister, to institute and strengthen the gold standard. Mises himself was decorated three times for bravery under fire as an artillery officer in the emperor's army."

How many silly things can Rockwell pack into one paragraph? Let's count. First, ennobling an obscure bureaucrat who was incidentally the father of a future classical liberal economist hardly counts as patronage of classical liberal thought. Second, the Emperor certainly did not hire Menger to teach classical liberalism to his son, since the Emperor despised liberal thinking; in any case, Menger was not known at the time as an outspoken classical liberal. Third, Menger was a full professor at the University of Vienna, and such notable persons were quite commonly given appointments to the upper house of the parliament, so this is not evidence of any attachment to liberalism or to Austrian economics. Fourth, Böhm-Bawerk was indeed Finance Minister from 1900 to 1904, and his visage today appears on the 100 schilling note of the Republic of Austria,

and he did try to get the Empire's accounts in order — but what this says about the Emperor's attachment to subjective value theory or praxeology is not clear. Fifth and finally, giving some medals to a soldier in an idiotic war — occasioned by the Emperor's imperialistic grab for Bosnia and his sabre-rattling toward Serbia — is pretty thin evidence of fondness for Austrian economics or classical liberalism, even if the young soldier would later become famous as a classical liberal and an Austrian economist. (Indeed, serving as a soldier in a conscripted imperial army at war with the United States, France, and Britain is hardly the proudest moment in a great liberal's life, and certainly an odd one to celebrate.)

Perhaps Rockwell has forgotten that Mises was a republican; that Mises strenuously opposed absolutism; that the Emperor Franz Joseph presided over the slaughter of the Hungarian classical liberal revolutionaries when he came to power in 1848 and pursued a policy of revenge murders against them; and that the Habsburg policy stressed protectionism, an established state church,

neo-absolutism, powerful bureaucracies, and military expansion toward the Balkans, resulting in the very war that shattered European civilization. Or perhaps this kind of nonsense should come as no surprise from the man who defended in the *Los Angeles Times* the brutal beating of Rodney King by the Los Angeles police force, who suggested government controls on video cameras as the solution to such problems, and who had the gall to sully the good name of Ludwig von Mises by mentioning his presidency of the Mises Institute as his identification.

As to whether the reign of Franz Joseph was especially liberal or supportive of Austrian economics, the scholar Oscar Jászi noted in his book, *The Dissolution of the Habsburg Monarchy*, "If we look over the seven-decade reign of Francis Joseph, we are

unable to find in his governmental system — in spite of his proverbial energy and feeling of duty — anything which could be called a standpoint based

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*Serving as a soldier in a conscripted imperial army at war with the U.S., France, and Britain is hardly the proudest moment in a great liberal's life, and certainly an odd one to celebrate.*

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upon principle, a systematic endeavor, or even a modest program looking toward the future. The only real motives of his system were military power and diplomatic prestige."

Ludwig von Mises, far from being reverential toward the Habsburg dynasty, noted in his book *Liberalism* that "the impossibility of solving the problems of the Hapsburg monarchy against the will of the ruling dynasty ultimately led to the incident that became the immediate cause of the World War."

Lew Rockwell may have set a new standard for obsequiousness, even surpassing Edmund Burke, who wrote so rapturously of Marie Antoinette ("surely never lighted on this orb, which she hardly seemed to touch, a more delightful vision"). It may be a shame that the Queen isn't alive to dance at Rockwell's *ancien régime* ball. But the greater shame is that his ball bears the name of a great defender of constitutional republicanism and classical liberalism. □

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### Ayittey, "Gun-Point Democracy in Africa," *continued from page 58*

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flocking to sign deals with Kabila. America Mineral Fields, Inc., of Hope, Arkansas, signed a \$1 billion contract with the rebel alliance to search for copper, cobalt, and zinc deposits. Other foreign companies include America Diamond Buyers, New Millennium Investment (banking), Comsat (telecommunications), and Citibank.

To be sure, Mobutu Sese Seko is a despicable disgrace to Africa, but the method of his ouster is hardly to be recommended. And with him gone, the prognosis for Zaire remains bleak. Though Kabila easily triumphed in the final showdown in Kinshasa, Africa's experience with rebel leaders hailed as

"heroes" and installed as heads of state has been ghastly. In most cases, the honeymoon lasts less than six months. Widespread misery and poverty ratchets up impatience with any new regime, making the populace less willing to forgive bureaucratic delays and missteps. And the rebels have already committed some mistakes. After taking Lubumbashi in April, for example, they responded to vehement protests from residents by rescinding their decision to ban the use of high-denomination Zaire bank notes. The rebels also fixed the local exchange rate for the dollar at a ridiculously low level, backtracking only after a dollar

shortage had emerged. Then they seized and nationalized Sizarail, a Zairean railroad company owned by South African and Belgian interests.

Africans have seen all this before: nationalization of private enterprises, price fixing, banning of miniskirts, etc., all under various guises of statism — or more appropriately, Swiss bank socialism, a peculiar form of socialism which allows African heads of state and a phalanx of kleptocrats to rape and plunder Africa's treasury for deposit in Switzerland.

Africans have a saying: The enemy of my enemy may not necessarily be my friend. □

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## Terra Incognita

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### Myanmar

Advances in the fight against terrorism, as explained in a press release from Myanmar's ruling party, SLORC, reprinted in *World Press Review*:

"While the people in the country were praying and rejoicing at the government's meritorious missionary tasks, those power-crazy, irrational beings, the destructionists . . . attempted to destroy the Lord Buddha's Tooth Relic. . . . no damage was caused . . . [but] there will be no place to go but hell for those evil destructionists who dare to tear the hearts of the people paying homage to the Lord Buddha's Tooth relic."

### Chicago

New insight into the dynamics of sexual orientation, offered by Professor Richard Posner in his book *Overcoming Law*:

Formally, a homosexual act will be chosen over a heterosexual one if

$$(B_1 - C_1) > 0, (B_1 - C_1) > (B_1 - C_2),$$

Where  $B_1$  and  $B_2$  are the benefits of the homosexual and the heterosexual act, respectively, to a particular person and  $C_1$  and  $C_2$  are the respective costs to him.

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

# Reviews

**Waco: The Rules of Engagement, a 165-minute documentary, produced, directed, co-written and edited by William Gazecki; with Dan Gifford and Amy Sommer Gifford, executive producers; limited national release, 1997.**

## Documenting Disaster

Gary Alexander

*Waco: The Rules of Engagement*, William Gazecki's compelling new film documentary, is not for the faint of heart. The images are disturbing and unforgettable: images of the charred, contorted, bullet-ridden bodies of children and women, bent into jagged angles after lethal CS gas was poured into their living quarters, forcing them to flee, only to be immolated in a bonfire ignited by government tanks; images of government agents firing on civilians running for cover; images of politicians lying again and again about the government assault on the Branch Davidian home near Waco, Texas, on February 28, 1993, and the FBI massacre of the survivors on April 19.

*Rules of Engagement* does a heroic job of uncovering the truth about what happened and why. Sketchy federal records show only that the Davidian women and children burned to death or suffocated, and 19 others — probably men who stayed in the home until fire drove them out — died of gunshot wounds. Unfortunately, we'll never know the whole story — both because journalists were kept more than a mile from the site of the action, and because most of the evidence was destroyed or conveniently "lost." Among the most critical evidence that disappeared is:

- the building's front door, which would have proved whether the

Davidians or government agents fired the first shots — and which survived the fire, but somehow disappeared while in FBI custody;

- the crime scene video made by the coroner's office, which was commandeered by the FBI and then lost;
- the entire crime scene itself, which was burned down and then bulldozed the same day.

Using Forward-Looking Infrared (FLIR) technology, *Waco: The Rules of Engagement* offers dramatic new evidence about what happened that day. Edward Allard — a former supervisor at the U.S. Army Night Vision Laboratory and an acknowledged expert on this technology — presents FLIR footage showing flashes that appear to be muzzle blasts fired from automatic weapons, directed into the concrete bunker where the women and children had sought refuge during the final assault. Other FLIR footage shows ground troops directing automatic weapons at the single exit door at the back of the compound, and bullets fired at people trying to escape from the burning building.

The film includes footage of a tank deliberately driving over the body of a Davidian, just to make a point to those inside. We see FBI agents using hand-held grenade-launchers to hurl firebombs and grenades, and tanks blowing gaping holes in the side walls of the Davidians' wooden structure, stock-

piled with kerosene for heating; the whole place was a tinderbox. (Some of the kerosene had been improvised into Molotov cocktails, apparently intended for defense against tanks. Perhaps the Davidians remembered Hungary in 1956.) We hear the Davidians' frantic calls to 911, begging for a cease-fire.

*Rules of Engagement* also shows FBI negotiators lying repeatedly to the Davidians and the public. This should be no surprise, of course, since many of them came from the same gang that was in charge at Ruby Ridge, where killers shot "at first opportunity" under the revised "rules of engagement" drafted in Idaho that summer, then lied about what they had done to the Weaver family — and got away with it. Public tolerance of Ruby Ridge paved the way for Waco in the same way that tolerance of earlier holocausts in Armenia and the Ukraine paved the way for Hitler's Final Solution.

### The Seeds of February 28

The film offers ballistic evidence that the BATF fired first. But we may never know the truth about the initial engagement on February 28, because the FBI subsequently "lost" the most conclusive evidence (the front door). And the duplicity of the FBI's actions following the assault is equally disturbing. One of the most dramatic scenes records FBI agent Jim Cavanaugh's negotiations with the Davidians. Cavanaugh repeatedly and adamantly claims that there were "no guns on those helicopters" that day. Koresh screams, "That's a lie! That is a damn lie. . . . Now Jim, you're a damn liar. . . . You're sittin' there and tellin' me that there were no guns on that helicopter?" Cavanaugh replies, "I said they didn't shoot," and Koresh again calls him a liar. The agent answers, "Well, you're wrong, David," but later modifies his story again: "What I'm sayin' is that those helicopters didn't have mounted guns, O.K.?"

For nearly two hours that day, Davidian Wayne Martin — one of the

first blacks to graduate from Harvard Law School — was yelling at the various 911 operators on duty, "Stop the shooting, and we'll stop shooting." The firing finally stopped when the BATF raiders ran out of bullets and grenades. The film shows them backing up, with their hands up. They were sitting ducks. Why didn't the "evil cultists" just pick them off, one by one? Maybe the Davidians were not "turn-the-other-cheek" Christians. But they certainly weren't the aggressive monsters that the BATF and FBI claimed they were.

**The True Villains in the Drama**

The day before the final attack, Koresh had finished tape-recording his essay on the Seven Seals — the same day he told the FBI that he was ready to come out with his tape and surrender. This was a first for Koresh. He had promised once before to come out on a certain day if the government would agree to an uncensored radio broadcast of his tape. Later, he changed his mind on that offer and said God had told him to wait. On the basis of this single vacillation, the FBI maligned Koresh as a chronic liar — though FBI lies were far more frequent. Indeed, even the politicians don't come off as badly as the

bureau — men and women just "doing their job," coldly and brutally killing innocent people, posing for "trophy" photographs over the smoldering ruins, then going about their business as if nothing had happened.

The hypocrisy of politicians, to be sure, was shameless: Janet Reno smilingly referred to huge tanks as "big rental cars," playing bumper pool on the side of a building; Rep. Charles Schumer railed bitterly against any witness at the Congressional hearings who defended individual rights or religious freedom, and baldly claimed that the Davidians most likely killed themselves.

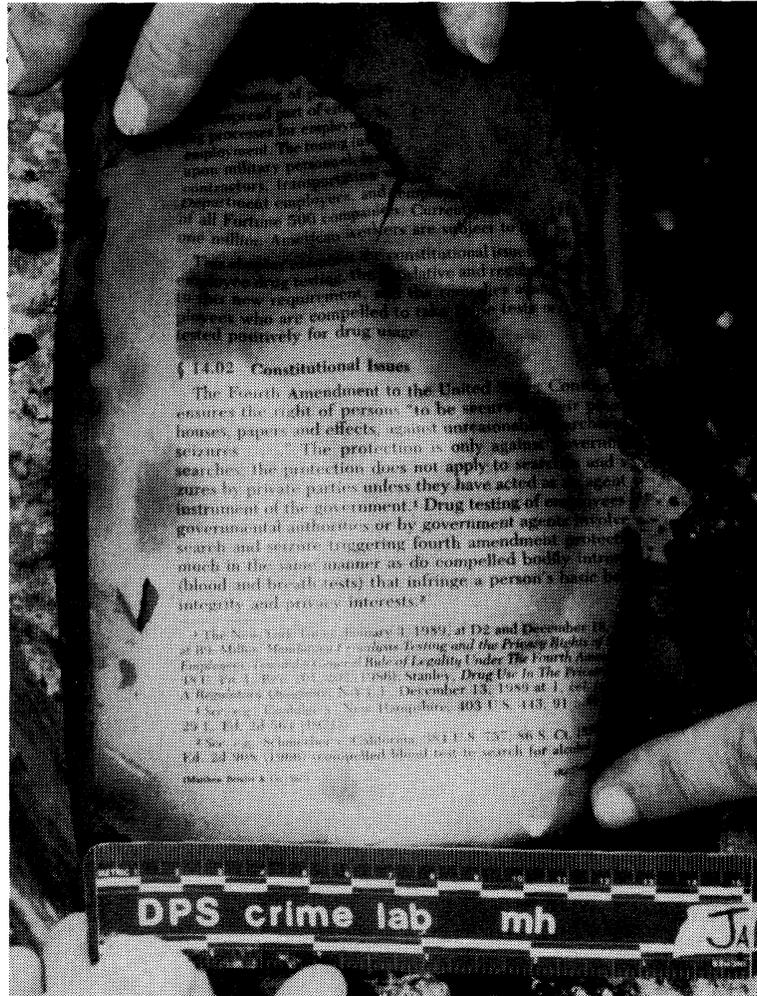
But it is the working press that comes off worst of all. The mythically fearless folks who risk their lives to get a good picture, in Bosnia or Vietnam, felt compelled to obey FBI orders at Mt. Carmel. After the February 28 shoot-out, the FBI kept the press so far away that the back of the complex was completely out of view. Journalists had no

the hands of government spin-doctors like Bob Ricks. Safe and comfortable in their press room, reporters didn't press for the truth. Instead, they were content to accept BATF and FBI accounts of what was happening.

And the blackout continues. All major news organizations have been sent the FLIR film. CBS and *60 Minutes* have had the film for more than two years, but will not show it. Neither will any other news organization. (The FLIR film was also available at congressional hearings, but the committee was not interested.)

*Rules of Engagement* was first shown at the Sundance Festival in January, then in a pair of trendy Berkeley and San Francisco film houses in March. Otherwise, it has had only limited distribution. I saw it in a nearly empty theatre in Washington, D.C., on the last day of its engagement. The lack of a crowd was no surprise: it was no longer being advertised or even listed in the newspapers.

The film originated with Michael McNulty, an insurance salesman in Corona, California, who kept tracking down Waco evidence in his spare time. Trying to figure out what was really happening on some FBI film footage, he



still from *Waco: The Rules of Engagement* (Fifth Estates Productions)

way of knowing what happened on April 19, when, the FLIR film shows, the FBI used automatic weapons to cut off the women and children's only escape route. We never heard a peep of protest about that quarantine.

The Davidians tried to communicate with the press and the world by hanging signs on the front of the building. "Rodney King, we understand," said one; "FBI broke negotiations. We want press," said another. I'll bet you never saw these signs on television or in the newspaper.

The press didn't just back off. The journalists in *Rules of Engagement* come off as flippant, cynical wimps, pawns in

consulted Hollywood producer Dan Gifford, who in turn sought the help of William Gazecki, a professional sound mixer whose credits included films such as *The Rose* and *Who Framed Roger Rabbit*. After viewing the tape over and over, they agreed that it should be made into a one-hour TV documentary, accompanied by some expert testimony. Dan Gifford and co-producer Amy Sommer Gifford agreed to finance the film.

The Giffords are "mainstream Hollywood," transplants from New York's trendy Upper West Side ("Woody Allen Country"). Dan Gifford had previously worked for *MacNeil-Lehrer* and CNN in New York; Amy

Gifford had worked on lighter material for *A Current Affair* and *The Maury Povich Show*.

Gazecki was a Buddhist and a Deadhead who'd always voted Democrat. "When I started this thing, I hated guns to the degree that I was terrified of 'em. I still don't like 'em. But I will say that in learning more about how this country was founded, the reason we were given the right to have guns is in case we're gonna have to overthrow our government again."

All the principals had their original intentions reversed by the facts. Gazecki said: "When my friends heard about it, their reaction was 'Those nuts deserved what was coming; anybody who molests children should be lined up and shot.' I'm talking about the touchy-feely, liberal crowd in Santa Monica; they said that."

Dan Gifford added: "Doing a piece like this was the farthest thing we had from our minds." Amy Gifford is perhaps most uncomfortable with the public view of what happened: "It infuriates me that Waco has become an issue of far-right gun nuts. It's a human rights violation. No one seems to remember, because they're too busy arguing over pieces of metal, that 90 human lives were lost. There are 90 grieving families out there. Eighty-six of those people were pretty bloody weird. But we have something called the First Amendment. It gives you the right to be weird."

### A Separate People

What is a Branch Davidian, anyway? Does anyone know, or care? One major reason why up to 90 people died near Waco, Texas comes down to the fact that the Davidians and the U.S. government spoke different languages. They may as well have conversed in Mandarin and Portuguese for all they understood each other. The Davidians were "religious nuts"; as such, they

spoke in biblical terms. BATF and FBI agents were secular, "law-and-order nuts." But the FBI's Hostage Rescue Team wouldn't use a translator (and there were many around) who could speak the Davidian language; apparently, the Hostage Rescue Team was not all that interested in talking them off the cliff.

In brief, the Davidians are a branch



still from *Waco: The Rules of Engagement* (Fifth Estates Productions)

(offshoot, sect) of the Seventh Day Adventist church. The Davidians first broke away in the mid-1930s, and they eventually formed a religious commune in east Texas. As often happens, there eventually was a power struggle. In the end, the loser of that struggle went to the press, and to the government, with all the dirt he had on the sins of the winner — including allegations of child abuse, stockpiling of guns, and polygamy.

### Not Unprecedented

*Waco: The Rules of Engagement* is a difficult film for me to review. From 1963 to 1975, I was a member of another sect, which also grew out of Seventh Day (Saturday/Sabbath-keeping) churches. Like the Branch Davidians, the Worldwide Church of God was founded in the mid-1930s. And like the Davidians, it later added a Texas campus (compound?) and published unique theories on the book of Revelation and its Seven Seals. Also like the Davidians, my church was raided by the government — albeit

with a more peaceful outcome.

The Worldwide Church of God and its affiliate, Ambassador College, were raided by dozens of officers of the state of California early one Wednesday morning in 1979. Thankfully, it was not an armed church, so nobody was killed. But the agents did take over all administrative offices and commandeered church finances for nine months because of allegations from dissident groups that these funds were being misused. (Are church finances now subject to state control? If so, heaven help us all.)

On April 19, 1993, I happened to be in a barber shop when a television news bulletin showed the blaze. I said, "This is a sad day for America." The barber shot back, "They're a bunch of religious nuts with guns. They asked for it. Good riddance, if you ask me." And most of the rest of the customers in the shop agreed with the barber. Rather than say to a man with a razor at my throat

that this nation was founded by religious nuts with guns, I shut up.

In the Tiananmen Square Massacre (siege?) in 1989, Americans across the nation rooted for the lone man standing up to a tank. (The tank backed off, if you remember.) But in America, when a lone Davidian is trodden under by our tanks, the majority seem to root for the man in the tank, rolling over the nut on the ground in the name of "law and order." In this age of *pro forma* apologies for sins of 150 years past — when neither perpetrator nor victim is alive — why are there no apologies by the assassins in the agencies — the men who pulled the trigger?

If Janet Reno ever has the pride to fall on her sword, or Ruby Ridge assassin Lon Horiuchi is prosecuted for murder, or Bill Clinton apologizes to the families of the 80 or 90 fallen "nuts" in Waco — with the same flourish offered in the tributes to the 168 victims in Oklahoma City — I'll begin to believe that Americans truly care about the outcasts Christ referred to as "these, the least of my brothers." □

*Hidden Order: The Economics of Everyday Life*, by David Friedman.  
HarperCollins, 340 pp., \$25.00, 1996.

# The Economics of Real Life

Richard Kostelanetz

Hearing someone identify a libertarian as a "Republican who has done drugs," I replied, for myself, that a libertarian could also be an anarchist who has learned something about economics. If only to see how much I've learned, as well as how much I could learn, I eagerly read my colleague David Friedman's latest book, *Hidden Order: The Economics of Everyday Life*. Attempting to relate sophisticated economic ideas to one's daily life, this book is meant to be high popularization, which is a respectable tradition, especially in economics literature. Friedman knows that the measure of his and his reader's success should be this: "Until you have fitted the logical pattern together yourself, inside your own head, what you have read is only words."

What I came to understand better than before is what I call the principle of contrary effects — truths that are the bane of a do-gooder's understanding of the world. Consider these examples: raise the minimum wage, because we all agree poor workers should be paid more, and one result is an increase in unemployment among the poor; allow polygamy, which is distasteful to feminists, and one result is increasing the number of married women and thus reducing the purported "lack of available men"; price controls induce not lower prices, but shortages — and thus black markets with higher prices; plea bargaining, rather than releasing prisoners, partially accounts for the increase in the number of people incarcerated; New York City rent control of sub-luxury apartments accounts for

why prospective landlords don't build or even renovate anything with low rentals (and thus for the continuing housing shortage); and so forth. Perhaps the job of perspicacious economic criticism should be identifying this "hidden order" of contrary effects.

Otherwise, this book is filled with great sentences, luminous sentences really, often worth remembering, if not transcribing in Every Libertarian's commonplace Book:

When you buy insurance, you accept an unfair gamble — a gamble that loses money on the average — in order to reduce uncertainty.

The essential objective in any conflict is neither to defeat your enemy nor to make it impossible for him to defeat you but merely to make it no longer in his interest to do whatever it is that you object to.

Organized crime [is] not a giant corporation but something more like a chamber of commerce or better business bureau for the criminal market.

[Illicit] drug sellers have lots of portable wealth in the form of money and drugs, and do not have the option of calling the police if someone steals it. The result is violence by drug dealers defending their property and by other people trying to steal it.

Friedman warns that when you are one of millions mailing back a sweepstakes invitation from, say, Publisher's Clearinghouse, "the value of the prize multiplied by the chance of getting it comes to less than the cost of the stamp. The expected return is negative."

An anarchist since college, I believe in the virtues of social chaos — the

absence of hierarchies and policing, professional insecurity, free associations without regard to credentials or licensing, and the general elimination of state prohibitions — all on the assumption that chaos eventually produces an equilibrium beneficial to most people. What my anarchist colleagues fail to understand is that economic control is generally as deleterious as social control and that the "spontaneous order" of a truly free market is a laudable chaos. Especially since Friedman's first book, *The Machinery of Freedom*, envisioned a society with minimal government, I wanted to find here a persuasive explanation of why economic chaos works.

I hoped this feat of epistemology might have come in the wake of a Friedman anecdote early in the new book, telling of a high official in the Chinese "ministry of materials supply [who] was planning to visit the United States in order to see how things were done there. He wanted, naturally enough, to meet and speak with his opposite number — whomever was in charge of seeing that U.S. producers got the materials they needed in order to produce. He had difficulty understanding the answer — that no such person exists [in the U.S.]." What Friedman doesn't explain is why such a czar is unnecessary in a chaotic economy, perhaps because he thinks readers already know. (It isn't obvious to those who think the government should "do something" about any chaotic problem.)

Friedman repeats in passing one fundamental truth of anarchist economics as I got it from the great writer Paul Goodman — that the best things in life are free. I wish Friedman had expanded on this thought, because it seems to me that a true "anarcho-capitalism" should be about expanding one's practice of what is usually free or nearly free — not only love and sex but friendship, the appreciation of nature, reading a book (or *Liberty*), listening to music, looking at art, walking, jogging, swimming, playing with one's kids. In that case, the ultimate economic aim of a libertarian society should be not 100% employment, which communist economies once claimed to realize, but 100% unemployment, or at least self-employment. However, the subsequent paragraph in *Hidden Order* is devoted

to diamonds (no joke), precisely one of those "best things" that most of us can easily do without.

Two technical caveats: Friedman often ends chapters of this pseudo-textbook with challenging questions based upon previous explanation. Since the answers weren't as obvious as Friedman assumed, even to me, more than once I went to the back of the book looking for answers that were not there. (My hunch is that some publishing genius removed them at the last minute.) Second, as someone who likewise has a family name that reminds many readers of another guy, I wondered why Friedman, only a few years younger than middle-aged me, is still acknowledging his illustrious father in biographical notes. David is old enough to know that, filial respect notwithstanding, that is an unfortunate move in this country, which isn't England.

The principal disappointment, for me at least, is that too much of *Hidden Order* resembles French literary-political theory — for all of its aspirations and pretensions to be relevant to my everyday life, it isn't. I wish it were, if only to acknowledge Friedman's intellectual ambition. I sensed that toward the end of the book Friedman became bored with his introductory purposes and dropped sentences that warranted further explanation. Consider this from page 299: "Also on average, every hundred muggings produce one dead mugger. At those odds, mugging is an unprofitable business — not many little old ladies carry enough money to justify one chance in a hundred of being killed getting it. The number of muggers declines drastically, not because they have been killed but because they have, rationally, sought safer professions." The troubles here are not only that other factors contribute to declines in mugging, but that violent robbery of strangers doesn't disappear — perhaps because potential muggers don't know the poor odds or don't share intelligence with one another. Trying to follow such smug logic (and looking in vain for answers to those concluding questions), I remain less influenced than impressed by intellectual gymnastics that, alas, I cannot "fit into a logical pattern" for daily use. □

***The Coming Conflict With China*, by Richard Bernstein and Ross H. Munro, Knopf, 1997, 245 pp., \$23.00 (hc).**

***A Firing Offense*, by David Ignatius, Random House, 1997, 333 pp., \$23.00 (hc).**

## The New Sinophobia

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Leon Hadar

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In the early 1990s, as the Cold War was coming to an end, American intellectuals were increasingly suggesting that the geostrategic rivalry between Moscow and Washington would soon be replaced by a geoeconomic conflict between Japan and the United States — one that could eventually take the form of a military confrontation. Many "experts" warned that America had already lost that war, with newspapers carrying headlines lamenting the Japanese "invasion" of Rockefeller Center and Hollywood.

"Revisionist" scholars were arguing that Japan, Inc. constituted a challenge to America's model of capitalism. They suggested that the U.S. should adopt the mercantilist features of the Japanese economy to help defend itself against Japan's aggressive strategy for conquering global markets. An obscure political scientist, George Friedman, became an instant celebrity in intellectual circles by writing *The Coming War With Japan*, which called on the United States to prepare for a confrontation with Japan over the world's oil resources. Michael Crichton's *Rising Sun* and Tom Clancy's *Debt of Honor*, which portrayed the Japanese as the ultimate villains, intent on stealing America's scientific and military secrets, occupied the top best-seller lists, and Crichton's book was turned into a successful movie. The American zeitgeist was that the "Japanese Are Coming."

These days, the writers and film makers who five years ago were warning that Japan had already won the war

have ceased to talk about Japan as the "Rising Sun," and they no longer cast the Japanese as villains. In the new zeitgeist, Japan is a "has-been," incapable of adapting to the pressures of the global economy, and is doomed to join the former Soviet Union in the dustbin of history. America is now the uncontested winner, and its capitalist model is the envy of the world.

But not to worry! America may have lost Japan as the post-Cold War foe, but it has gained another, even more powerful enemy. Those of you who missed *The Coming War With Japan* may want to skim through *The Coming Conflict With China*, in which Richard Bernstein and Ross Munro predict Cold War II, with the United States facing its new rival, China, in competition for diplomatic, military, and economic supremacy in Asia and the world. And if you enjoyed *Rising Sun* and *Debt of Honor*, and are now searching for a new xenophobic thriller in which conniving and bloodthirsty Chinese are accumulating wealth and producing weapons of mass destruction as part of a strategy to defeat the naive and complacent Americans, well, David Ignatius' *A Firing Offense* (soon to be made into a motion picture) is just the book for you. Bye-bye Japanphobia, and welcome to the new world of Sinophobia.

*The Coming Conflict With China* would have probably aroused only limited interest if not for the current tension between the United States and China, caused by an aggressive coalition of liberal and conservative China-bashers, who have launched a successful campaign against "constructive engagement" policies with Beijing. After all, while Bernstein and Munro

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may have been correspondents in China and bureau chiefs in Asia (Bernstein represented the *New York Times* and Munro worked for the *Toronto Globe and Mail*), neither is considered a leading expert on China. Their book is based mostly on American newspapers clips, lacks any original research, and reads more like a long and tedious op-ed piece than a serious scholarly work or coherent policy analysis.

*The Coming Conflict With China* is nothing more than a political manifesto that mashes together all the major arguments in support of "containing" China. The authors have no doubt that China is an "unsatisfied and ambitious power whose goal is to dominate Asia." Since Washington must remain the "preeminent power in Asia," that goal is "directly contrary to American interests." The authors think it quite likely that the two powers will eventually go to war over Taiwan. But even if that doesn't happen, "the rivalry between China and the United States will be the major global rivalry of the first decades of the twenty-first century, the rivalry that will force other countries to take sides" and will involve the usual shopping list of prizes: military strength, economic well-being, influence over other nations and "over the values and practices that are accepted as international norms."

Challenging the conventional wisdom, the authors argue that the economic reforms in China will not lead to political liberalization. Instead, they foresee the emergence of a quasi-fascist regime in Beijing, and call on Washington and Tokyo to join other nations in the region to form an alliance to contain China. Finally, they accuse the "New China Lobby," an axis of U.S. corporations operating in China, of manipulating American foreign policy towards "constructive engagement" so as to suit their business interests.

Those are all provocative ideas. They just happen to be wrong. China is being transformed politically as well as economically, a trend that in the long run will produce a giant Hong Kong. Japan and other East Asian governments have rejected any notion of forming an anti-Beijing alliance. And if there is any problem in America's China policy, it is the emergence of the "New Anti-China Lobby," which includes

human rights buffs, labor unions, and environmentalist groups on the left, and pro-Taiwan lobbyists, social conservatives, and textile producers on the right, all of them trying to shift American policy in an anti-China direction — which in the short term means revoking China's most-favored-nation trading status, sabotaging China's entry into the World Trade Organization, and forcing the United States to recognize Taiwan's independence.

If Bernstein and Munro are not the George Kennan and Henry Kissinger of U.S. foreign policy discourse, Ignatius, business editor of the *Washington Post* and author of three espionage novels set in the Middle East, is certainly not the new John Le Carré of the spy thriller genre. His novels center around cardboard characters and farfetched plots. *A Firing Offense* features an American journalist who falls victim to a geo-economic conspiracy involving Chinese officials and French businessmen. In exchange for bribes and for help in developing its biological warfare capabilities, the Chinese government awards a huge communication contract to a French company. Working together with the French, the Chinese kidnap a renowned French scientist, murder a leading American columnist, and attempt to silence the American reporter who uncovers the story.

Neither *The Coming War With China* nor *A Firing Offense* is expected to win a Pulitzer Prize this year. But in the current anti-China atmosphere, the two books are receiving a lot of attention, and both serve as powerful public-relations tools for the China-bashers.

Indeed, if the day comes when historians are analyzing the roots of the Sino-American War of 2005, they may point to *The Coming War With China* and *A Firing Offense* as the first two entries in a long list of non-fiction and fiction books that helped to ignite American hostility and create an intellectual atmosphere in which U.S. policymakers considered conflict with China "inevitable." Alternatively, if the day comes when historians are recalling the Sino-American Economic Cooperation Council of 2005, they may treat the two books as nothing more than amusing historical trivia or forgotten intellectual anecdotes in the mostly peaceful history of Sino-American relations. □

*Ayn Rand's Marginalia*, by Ayn Rand, edited by Robert Mayhew.  
Second Renaissance Books, 1995, 231 pp., \$19.95 (sc).

# Leaving a Margin for Error

John Hospers

Over a span of years Ayn Rand penciled many comments in the margins of books she read. Those comments that were substantive — that were more than a few exclamation marks or assorted oaths — have been gathered into *Ayn Rand's Marginalia*. Her comments will be fascinating to anyone who is interested in her ideas. For the most part her remarks come under the heading of "negative criticism": if you agree with a writer there isn't that much to say, and in this volume everyone is treated to his share of negative criticism. Even Ludwig von Mises comes in for extensive castigation.

I would never have suspected, from being at Rand's apartment when Mises and Hazlitt were guests, that her remarks about them in the *Marginalia* would be so savage. I remember her saying to me, "I will not try to convert to my philosophy someone who is 85 years old." But she was not at a loss for critical comments on his writing, particularly on *Human Action* and *Bureaucracy*, the two books she most recommended to me when I first came to know her. Out of dozens of examples in the margins, here are a few:

"Reason and experience," writes Mises, "show us two separate realms: the external world of physical, chemical, and physiological phenomena and the internal world of thought, feeling, valuation, and purposeful action. No bridge connects — as far as we can see — these two spheres." Such a statement would raise few eyebrows in the philosophic community. But Rand writes concern-

ing this passage, "What a mess! What equivocation and 'concept salad'!"

"Human action," writes Mises, "cannot be traced back to its causes, it must be considered as an ultimate given . . ." Rand responds, "He thinks that since the actions of consciousness cannot be reduced to physical causes, they must be accepted as an irreducible primary!" (p. 110). When he says, "The teachings of praxeology and economics are valid for every human action without regard to its underlying motives, causes, and goals," she remarks, "Let's see how many times he'll contradict this." I have not gone through all these pages of text and marginal comments, but my impression is that although she doesn't always take Mises to mean what I think he means, she makes some important philosophical points against her favorite economist.

She is merciless in her criticism of F.A. Hayek's *Road to Serfdom*. Time after time she faults him for being tinged with socialism, though the book is an attack on socialism. "[W]e cannot within the scope of this book," writes Hayek, "enter into a discussion of the very necessary planning which is required to make competition as effective and beneficial as possible." Rand comments, "Oh yeah? And that's what I'd like to see him define!" Was she assuming, I wonder, that the planning referred to must be government planning? "[I]ndividuals," continues Hayek (151), "should be allowed, within very defined limits, to follow their own values and preferences . . ." To which I might have responded, "Allowed by whom? Or perhaps he means only that there should be no laws prohibiting some actions." Rand's response is

much more primal: "Oh God damn the total, complete, vicious bastard! This means that man does exist for others, but since he doesn't know how to do it, the masters will give him some 'defined limits' for himself."

Henry Hazlitt's futuristic, free-enterprise novel, *Time Will Run Back*, describes the un-Sovietizing of the Soviet Union through the efforts of Stalin's heir, whose assistant says to him, "You have invented, chief — or made possible — a wonderful economic system. . . . It rewards people in proportion to their foresight and their production — their ability to provide others with what those others want." ("Moral communism," Rand responds.) "How will we be able to protect this system, for instance against the incessant criticism of the unproductive and the unsuccessful?" She responds, "You won't be able to — because you yourself have conceded that the moral and social purpose of the productive and the successful is to serve the unproductive and unsuccessful." I assumed that Hazlitt's passage meant only that the system won't work if it doesn't produce things people are willing to buy. Rand took it as an apologia for altruism. Her remarks are insightful, but sometimes (I think) they are not entirely fair: they attack something a bit different from what the author was saying.

Rand's criticisms usually track down an author's assertion to its "ultimate presuppositions," especially when the author was unaware of them. Her final remark on Hazlitt's novel is: "Fundamental mistake of story: the great industrial progress would not happen so long as freedom was given from above, from a benevolent dictator. Men would neither invest nor invent. The intelligent men would not function by permission — only by right" (170). I suspect that a loud cheer should come up from the bleachers on that one.

There are numerous other authors treated in these pages — John Herman Randall's *Aristotle*, Wilhelm Windelband's nineteenth-century *History of Philosophy*, Helmut Schoeck's *Envy*, and assorted popular books of the period by Harold Fleming, Lowell Mason, Fulton Sheen, and others (as well as assorted newspaper and magazine clippings). She was somewhat less philosophically demanding of these authors. She was

benevolence itself toward Barry Goldwater's *The Conscience of a Conservative*, in spite of her objections to his grounding of morality in religion. But her strongest dose of venom is reserved (with good reason) for C. S. Lewis's *The Abolition of Man*. Here the margins are filled with oaths and insults (she once showed me her copy of the book). One example will have to suffice here (it would take a longer quotation to generate a context): Lewis writes, "The later a generation comes — the nearer it lives to that date at which the species becomes extinct — the less power it will have in the forward direction, because its subjects will be so few" (90). "It is unbelievable," she responds, "but this monster literally thinks that to give men new knowledge is to gain *power* (!) over them. The cheap, awful, miserable, touchy, social-metaphysical mediocrity!"

*Marginalia*'s editor, Robert Mayhew, notes the immense clarifying light that Rand throws on the issues she writes about — how she translates obscure or semi-intelligible gibberish into clear and precise prose, and points out the unstated assumptions that lie behind an author's claims. In personal discussions with Ayn Rand, I was often in a position to confirm this: when she and I agreed on something, whether a philosophical problem or a work of literature, there was sheer euphoria, an experience that occurs only when two minds are operating on the same wavelength, each feeding into the suggestions or speculations of the other.

Sometimes, however, I didn't think she was clarifying; sometimes she seemed to miss the point of what an author was saying, in spite of strenuous efforts on my part to communicate it. Sometimes I thought she was a prisoner of certain ways of doing philosophy (as I was a prisoner of mine). I often thought this was true of her criticisms of my remarks. In most cases — since we didn't discuss very much the issues raised in *Marginalia* — I didn't know about these criticisms until years later, when *Marginalia* was published. For example, in the first edition of my *Introduction to Philosophical Analysis* (the only edition she ever saw), I described the distinction, familiar to most contemporary philosophers, between empirical possibility and logical

possibility: to say that something is empirically possible is to say that it does not violate laws of nature, but to say that it is logically possible is to say only that, however false it may be, there is no contradiction in asserting it. Thus, I said, whether or not life exists anywhere in the universe without certain chemical elements being present, such as carbon and oxygen, it is logically possible for life-processes to go on (coming into existence, growing, reproducing, dying) without the presence of these elements. Don't astronomers speculate to this day that somewhere in the galaxies there may be life which doesn't depend on these conditions?

But Rand attacked this: "Translated," she writes in *Marginalia*, "this means, since no attribute of an entity is essential, how do we know whether that entity will still preserve its identity without any or all of them?"

This in turn leads to more questions. Is she saying that all the properties of a thing are defining — including being visible by firelight, or being witnessed by six observers? Surely a table would still be a table without these characteristics. Perhaps then it is only those characteristics which constitute "its nature." But it is far from clear what the phrase "its nature" means. Is it part of "the nature of" Jones to be easily angered, or is this only a "passing feature" of Jones? Is it "the nature of" a car to have four wheels, and if so would a three-wheeled car be a contradiction in terms? (I was certainly not saying that *all* the attributes of a thing are defining, only that some are. That a table is a solid object (not liquid or gas) is defining; that it is painted brown is not.)

I had written that we do not *know* whether the law of gravitation applies throughout all time and space. She writes, "If we do not know whether the law of gravitation applies to other universes (which, in itself, is nonsense), this gives us license to claim *anything* as possible. This is the epistemology of a savage (and of a mystic). If we do not know the cause of the sun's movement, then we are *logically entitled* to claim that the cause is a sun-god (or green cheese)" (77).

I would lay odds on the law of gravitation, though some astrophysicists

speculate that it did not operate in the first few milliseconds after the Big Bang. In any case, there are plenty of things we don't know with absolute certainty, which we yet have every reason to believe and none to disbelieve. Why do we have to choose between certainty and superstition? What a strange conclusion — that if we don't know it for certain it's "deuces wild." There is after all such a thing as evidence, as reason to believe, as very strong reason to believe.

I am, she claims, "separating logic from reality." But what does this metaphorical expression "separate" mean in this context? Are logic and reality like two things which somehow split off from each other? I say there are principles of logic, such as "Not both A and not-A," which apply to everything there is, i.e., to all of reality. How is this a "separation" of logic from reality?

It would be a tedious and thankless job to go through example after example to illustrate what I was trying to say as opposed to what she took me to be saying. On reading *Marginalia* I was surprised at how extensive her disagreements were. How I would like to have discussed these points with her personally (we discussed ethics, aesthetics, and economics much more). At the very least we could have conveyed our meanings to one another in person. Now, many years later, I am profoundly sad that so many all-night discussions came and went without any such mutual clarification having occurred. □

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## Booknotes

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*Goading the Elite* — I once dreamed about the cosmopolitan life. Sitting sitting outside a cafe, sipping coffee, reading *The New Yorker* while the sound of beat poetry drifted through beaded curtains. At least that was the dream when I was fifteen living in Armpit, Iowa.

After a few years in the big city I came to hate all bohemians. Mostly I hang out with a couple third-generation Okies. We sit in Red's Garage, drink beer, talk about dirtbikes

and how much the government sucks. It is a place of sanctuary where no one has a script, where no one is ashamed of liking NASCAR. Mostly we wonder, "When did we become the bad guys?"

This is one of the most important questions of our age. But those most directly involved seem to have no voice. There is no chair of Redneck Studies at Vassar. No hillbilly *New Republic*. And white trash do not engage in long, drawn-out philosophical discussions for the simple reason that it has always been easier simply to beat the crap out of people who disagree with you.

Jim Goad wants to change that. He is a modern, wimpy liberal's worst nightmare — a redneck with a shotgun and a typewriter. Goad gained relative fame with his zine *Answer Me!*, the literary equivalent of an obscenity shouted from a passing car, with articles such as "The one hundred greatest serial killers of all time" and "Chicks

make me nervous," and the legendary "Rape" issue. He got the attention of a major publisher, and has now turned out *The Redneck Manifesto* (Simon and Schuster, 1997, 274 pp. \$22.00).

The book is alternately brilliant and infuriating. Goad demolishes most of the common slurs thrown at rural white Americans, but most of the economic arguments seem warmed-over Michael Harrington. He has difficulty maintaining the intensity that characterizes his zine work, though the talent for phrases remains. —*John Bergstrom*

**How I Found Freedom on a Free Shopping Bag** — North of San Francisco, a company called Cheaper! operates a string of 500 discount-grocery and tobacco stores. The company was founded in 1957 by John Roscoe, and is operated by him, his wife, his daughter, and his son Ned.

While the company is a case history in running a successful business, it has

become more famous for its "bagatorials" — editorials printed on its shopping bags.

The editorials cover many subjects — self-improvement, responsibility, civility, and such — but most of them focus on politics, the virtues of the free market, and the evils of government. If there has ever been an editorial praising any facet of government, I certainly missed it.

Although the bagatorials sometimes have guest writers, most of them are written by John Roscoe and Ned Roscoe. It is amazing thing that two such good businessmen are also such good writers. Their writing is interesting, provocative, witty, and open-minded.

Now a selection of their bagatorials has been assembled in a book — called, not surprisingly, *Bagatorials* (Fireside Books, 1996, 175 pp., \$11.00). There are articles explaining that California (where water rationing is a recurring inconvenience) has no water shortage,

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### Personals

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endorsed by Stephen Ambrose, Alistair Cooke, and John Kenneth Galbraith — and which frankly admits that Hiss was, as Chambers insisted, a Soviet spy.

At 520 pages of text, and another 118 of index, bibliography, and notes, Sam Tanenhaus's *Whittaker Chambers* (Random House, 1997, \$35.00) is another grand biography too heavy to hold up while reading in bed. It is heavier even than Chambers's 808-page autobiography, *Witness*, but a good deal easier to get through. In *Witness*, Chambers subjects the reader to tales of every Soviet agent he can recall, so that on page 300 he is still stuck in the early 1930s, skulking around New York. Tanenhaus gets through all this, plus Chamber's strange and bohemian childhood, by page 100, never losing the reader's interest.

Tanenhaus gives us all the drama of the Hiss-Chambers trials and testimony before the House Committee on Un-American Activities, including testimony not declassified until the 1970s. Unlike *Witness*, which was published in 1952, Tanenhaus's book describes Chambers's reaction to Joseph McCarthy, a man he quietly campaigned against but refused to denounce publicly.

Best of all, Tanenhaus gives us Chambers — as his friends saw him, as his enemies saw him, as he saw himself. Chambers emerges a fearful and tortured figure, a fat man with rumpled, baggy suit, bad teeth, and an immense capacity for belief. He absorbs his beliefs into his bones. As a Communist, he's out to change the world; as an anti-Communist, he's out to save it. Asked what was the point of his and Hiss's ruining each other's good names, Chambers replies, "A religious age would have no trouble at all in understanding this story."

Compared with today, it *was* a religious age — an age of the religion of politics. It was a time when communism appeared vital and capitalism doomed. It's a measure of the times — and of Chambers — that when he quit Communism, he thought he was leaving the tide of history and enlisting in the ranks of a lost cause.

He was wrong about that. But in testimony before the House Committee on Un-American Activities, and in the two Hiss trials, it was Chambers, not Hiss, who told the truth. —**Bruce Ramsey**

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facts and figures no one has mentioned before, almost every page has something new.

—**Harry Browne**

**Witness to History** — With communism in ruins, its true believers confined to North Korea, Cuba, and Peruvian prisons, it's difficult even to recall who Whittaker Chambers was. Almost fifty years ago Chambers cut a national figure as a *Time* magazine editor who accused Yale-educated state department official Alger Hiss of being a Soviet spy. It was a case that divided conservatives and liberals for years. Now we have a biography of Chambers written by a man who calls himself a "secular liberal," a book that has been



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